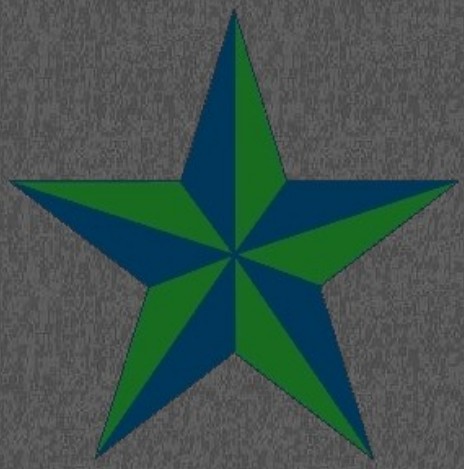
For an Emergent Governance



By Ryan Faulk

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Includes excerpts from Roderick Long, Thomas Dilorenzo and Lawrence W. Reed

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The Police

When you look into your rear-view mirror and you see a policeman, does that make you feel safe, or nervous? How about when you are standing near a policeman at a diner or a 7-11?

While having a visceral fear of a policeman, the rational individual will probably conclude that the police as they exist today are necessary. And he has good reason to believe this.

The 1919 Boston police strike and the 1974 Baltimore police strike showed what happens when a pre-existing police force suddenly ceases to perform their function - a spike in crime. Some may cite these events as demonstrating the necessity of a state police force, but at most it demonstrates that police are necessary in certain areas and need to be provided. By someone.

What's more is that the state monopoly on police services in those areas is what made those strikes so effective. If a city had multiple police agencies, the striking of any one agency wouldn't be nearly as damaging.

And state police protection has all of the problems of any coercive monopoly. A coercive monopoly is just that, a monopoly. Except that people are forced to pay, they are coerced into paying. So while a monopoly is still regulated by the fact that people can choose to not buy the monopolized good and buy substitutes, or buy a whole lot less, a coercive monopoly doesn't even give you that option.

So not only are individuals not allowed to buy police protection from other firms, but must pay for the state services even if they would be willing to opt out. And it is this dynamic that leads to abuse by the coercive monopoly (maintained by the ideology and violent enforcement on the margins).

Manifestations of this are nonresponsiveness to calls, sadism on part of the officers, conducting searches which violate the police agency's stated code of conduct, the imposition of petty fines for their own sake, and the war on drugs. Much of these abuses are regulated by simple human decency on behalf of the officers, and by the potential of media scandal, but are not regulated by competition.

Also keep in mind that a police service is limited to relatively public areas. Police cannot realistically protect one from a home invader, and so individuals are better off with an alarm system and a gun. And while police can act as a deterrent, they cannot protect a shop from a well-coordinated raid. For example if some thieves were able to cut off the telephone line of a 7-11 and somehow jam the cell-phone signal, the police would not be alerted.

And police also cannot prevent crimes of passion where the perpetrator is in a state of mind where police retaliation is not a deterrent.

Police can deter crime by punishing the criminal after the fact, and prevent crimes in relatively public places at relatively public times.

The patrol duties of relatively public areas are already done by private cops today. Malls, large shopping centers, theme parks and various other places hire their own cops. And in a stateless society where firms don't pay any taxes and thus have the necessary funds to hire private cops, along with the increased necessity to have private cops, I can only predict that firms will hire more policemen to protect public places. This also includes the policing of roads, neighborhoods and highways.

For neighborhood police, homeowners, in order to acquire title to a home, would be required to pay a fee for the police services.

The best deterrent of course is individual gun ownership. Even if not everyone owns a gun, knowing that about half of all houses have guns (and the potential home invader doesn't know which half) would deter home invaders. And if one is not predisposed to shootouts, and pre-set intruder elimination system could be installed. There are many things one can do when there are fewer legal ramifications for home defense.

What about the poor? Well first off the poor today don't receive much in the way of police protection. See "no-go zones", areas where police are supposed to patrol but don't, and see the Watts and LA riots where the police simply formed a perimeter to prevent the rioters from causing damage to the homes of the more politically connected neighborhoods.

The fall-off that would occur when going into a stateless society, especially if there was some time to prepare and it wasn't just an instantaneous removal like with the police strikes, wouldn't be as horrific as most people believe.

Lower-income neighborhoods would, in my estimation, have to fall back on communitarianism, that is to have neighborhood patrols and the like. This is what many neighborhoods are doing now, though with no gun laws these patrols can be more effective.

Now if you have private police agencies and communitarian police patrols, what is to prevent these agencies from becoming another state? Or even going to war with each other?

First off, private police agencies would not be able to extract funds involuntarily unless they developed sufficient ideological support (which I do not believe is possible for a society today). And because wars are very expensive, if a police agency went to war with another agency, they would have to raise rates.

In light of this, the customers would leave to another, non-warring agency to the extent that they wanted to save money. If the police attempted to maintain their customers, perhaps over a contiguous or quasi-contiguous area, through force, they would be imposing a marginal state, which is exceedingly difficult to maintain.

Lets take the worst-case scenario, a single police agency that has a global monopoly. They're benevolent for a while, because that's the only way they could become a monopoly, but then they decide to raise rates, force customers to pay and violently prevent any competition from forming. They become a coercive monopoly and a highly marginal state.

This coercive monopoly would then have to face any communitarian revolts that occurred in response. And these communitarian armies would have widespread public support, and would be able to wage a guerrilla war. And as the communitarian army tied down the monopolistic state army, individuals would begin to not pay their taxes at precisely the time the state forces needed them in their war against the communitarians.

And remember the population in a stateless society is extremely well-armed. Yes this is speculation, a lot of this is speculation, but I am working from assumptions that I do not believe require much faith.

And so this monopolistic agency would have to fight a guerrilla war, but unlike the Soviet Union and the United States, this agency wouldn't have some giant ideological state back home, A tax base which produced a surplus that could be spent fighting wars abroad, because there would be no "back home". It would be like the US army trying to occupy Iraq with only the funds they could extract from the Iraqis.

For these reasons, police protection is not something that must be under the sole purview of the

state. In fact by granting a coercive monopoly on police protection you end up with what we see today.

As of May 2008, there were 883,600 police officers in the US at the state, federal and local levels. The salary for those officers totaled roughly $45.4 billion. This does not include the justice department as a whole or any contracted work. This means there is less than one police officer per 300 people, and if we assume half are on duty at any given moment - a rather generous assumption, we can presume there is about one police officer for every 600 people.

Now, if there were 600 people in an auditorium, would you expect one man to be able to spot and diffuse criminal activity in that auditorium? I wouldn't, but this auditorium example is misleading. Because in reality these 600 people are spread out over many square miles, so the job of the police officer to prevent crime is actually much more difficult than it would be if all 600 people were in an auditorium.

The average police response time to a call is 8 minutes. So if a psycho with a gun is in your house trying to kill you, you will have to call the cops, tell them what is going on, and then wait 8 minutes for the cops to arrive. If the cops arrive, they have no obligation to enter the house. And there is good reason to suspect that they won't.

During the Columbine shootings, 800 SWAT team members waited until two shooters killed 13 people and then themselves. If 800 SWAT team members wouldn't enter a building for a school of children, do you think some beat cop is going to enter your home to save you from a psycho?

The police exist primarily to protect the interests of the state. They have no legal obligation to protect you. They collect parking and traffic tickets, tow and boot cars which have too many tickets, boldly break down the doors of suspected users of substances the state has decided you can't use.

You are naked.

The State is an Extortion Racket

The power to tax is the main source of state power. Without tax revenue, everything else the state does is toothless. Somebody could get to the top of a hill and shout the laws, but without either agreement from the people, or the violent enforcement of those laws, he's just shouting into the ether. He thinks he's the state, but there's nobody around him who cares about what he says. Perhaps his authoritarian attitude leads to some people following him, or perhaps it leads to him getting beat up, but it doesn't lead to, what most people would call, a state.

It is with tax revenue that the state can pay soldiers and policemen who enforce the state law. Once this is achieved, the state can build off of that, monopolizing roads, canals, railroads, many types of mail delivery, monopolizing schools and forcing people to go to school for 12 years, which creates a compliant population trained to follow the orders of the teacher, who then more easily follow the orders of later agents of the state, which results in even greater extortion. All of this stems from that first ability: to tax. When talking about politics, people talk about so many things - war, the economy, healthcare - but they don't see the basic issue, they forget that it all comes from taxation and they don't think about taxation as an institution to be questioned itself, but as a given continuum.

Most people pay the taxes assigned to them because they think it is necessary, or legitimate, or something along those lines.

Here is the legal definition of extortion:

The obtaining of property from another induced by wrongful use of actual or threatened force, violence, or fear, or under color of official right.

That it is identical to taxation. Because what happens if you don't pay your taxes? You get thrown in prison. And if you resist arrest, and then resist being thrown into prison, you will be killed. Perhaps it is a necessary evil to keep things running, I don't think it is, but it is still extortion. And I oppose this extortion on many grounds.

When I bring this point up, I often get the response, "yes I know the state is an extortion racket, so what!? You still haven't proved how law, defense, schools, regulation, and many other things can be done in a stateless society!" Those are all valid concerns, and those things are what the bulk of what this book will be about. But first things first. There are many people who still believe that the state is not an extortion racket, or that the extortion is justified, which is why I'm talking about this now.

When pointing out that the state is an extortion racket, many will say that it is justified because of an implicit agreement. By living in a place called, "the United States", you are agreeing to pay for various "public services". What is a public service? Well whatever the state decides. This is the social contract argument.

This is a contract few ever signed. And even if you signed something saying that "you agreed to pay taxes", this is irrelevant since as a child you were required to attend for 10 years, though most go for 12 years, a school that is either run by or approved by the state. Even if you went to a private school, that school was approved by the state, and you were required by the state to go to some school they approve of. Most kids weren't able to see the injustice at the time. I certainly didn't, I just saw it as something unpleasant I had to do, like paying taxes, but I see it now.

Also, if you ever bought anything as a child, you paid sales tax. Thus you paid taxes then, which surely cannot be considered something you agreed to.

So even if you agreed to taxation as an adult, the fact that the state taxed you as a child, robbing from you at the very minimum 525 days as a child which you can never get back supposedly for the purpose of "education", makes me view the state as a criminal institution on those grounds alone. In these terms, is it not clear that children pay more in taxes than adults?

Perhaps the statist will say, "well, do you ever use any state service? have you ever called the cops?", and that's supposed to be proof that you have acquiesced to taxation. For example, if you go to a diner and eat a meal, it is expected that you pay for the meal. And the statist will say that it is expected that you pay for state services. The difference is that with state services, you have already paid; in fact you were forced to pay for them. If the state schools you were forced to attend fed you, and you ate the cafeteria food they gave you, would that be endorsing the state schools? Of course not. And neither is using state roads. Most people can see the inconsistency when this is pointed out to them.

Failing that, the statist will often say some variation of "love it or leave it". "Well if you don't like civilization" - they typically call the extortion racket civilization - "well if you don't like civilization, then go to Somalia". In this book I have a section on Somalia. But that's what they'll say, "if you don't like civilization, go to Somalia!"

What a statement like this shows is that they don't understand the issue. The United States Federal Government claims much more land than state employees can ever even touch. The idea that they "own" this land is absurd. This is not to say the matter of ownership is simple and settled, and even within the context of a stateless society there can be furious disagreements, but

the state is an obvious overclaim.

And 300 million people can agree that the state owns some land, but where do those 300 million people get off deciding who gets to own all of this land? And do these 300 million people know each other and decide upon the same thing?

We could do this all day, but what it comes down to is that the state is an extortion racket, and any attempt to justify the state is as silly as justifying an extortion racket.
http://legal-dictionary.thefreedictionary.com/Extortion

Why you should Read This Book

This book is organized in posts and sections, with each section made up of multiple posts. I beg of the reader, if you are getting bored with one section, please move onto the next instead of putting the book down. I wrote this book in a way that you can do that, and it's because I know how people read books.

Aside from the introduction, the first section is the most important, as it covers the basics of property, how it relates to the state, and how stateless societies in the past functioned, and how defense and war will work in a stateless society. It may seem a bit dry, but it is the core of anti-statism.

The second section is more abstract philosophy, but it leads into the third section.

The third section is on economics and why it is best to have a free market for the means of production and in the financial market. I know many people who support a completely unregulated marketplace alongside a large welfare system. This is not necessarily an argument against state funded schooling or welfare programs, but just arguments against the state running the factories and controlling the money supply. You may or may not need to read this section.

The fourth section is on the interventionist state: schools, roads, medical services, currency, banking, and welfare.

The fifth section is where I combine the concepts from section 1 and section 3 to paint a more complete view on political economy. And once this is established, I then argue for a free market solution to overfishing, global warming, and scientific research.

In the sixth section I go through various sacred cows: the american revolution, the constitution, the first barbary war, the war of 1812, the civil war and slavery, world war 1 and 2.

The seventh section is me attempting to reveal the state as a story.

In the eighth section, I address what I consider a few loose ends.

But **I decided to put what I wrote at the end of this book at the beginning** so that you can know the destination I'm trying to get to:

- A stateless society will have more aggregate income equality than the current state of affairs in the United States.

- A stateless society will have more power equality above and beyond the income equality. The state acts as force multiplication for the rich, which is used to raise barriers to entry and increase income inequality, but also shovels your money into their pet ventures.

- A stateless society will have a higher absolute aggregate standard of living.

- A stateless society will have a higher absolute standard of living for the bottom 1% and 10%, which includes access to medical and educational services.

- A stateless society will have less violent crime / war.

- A stateless society will have more freedom across the board.

Problems with discourse today is that everyone accepts trade-offs of what we value and makes the case for one or the other. I am saying that a total free market will not involve any aggregate trade-offs in what we value, and that there are no grounds on which you can support the current situation over my proposition. The current situation is a mix of the republican or democrat party platform.

Learning

In high school I came up with all sorts of ideas of how school could be better, and one idea I came to was instead of having a school as we know it, just have a giant library full of high quality texts, and have people who are not interested in those things go to a job training program, and educational choice would emerge along those lines.

It is something platonic, a crystalline vision of what it should be, and it would be no doubt a happier place. The current model of 20-30 kids in a room taught a lesson by a teacher at a board, was just the best way to teach in the 1800s schoolhouses. And the institutional advancement through grades and rooms where specialties are learned is the Prussian model. If education was devised today, would we have this?

Children WANT to learn, and most of the people around me wanted to learn and get educated. But our education was crippled by our TRAINING. And that is what school is, **it is training, not education**. You are trained to learn events, and you are trained to accept certain interpretations, and the propagandization is insane.

Most people don't recognize the propaganda. They don't even recognize the things they have been propagandized on as being definite stances on issues. A great example is how the constitution is assumed to be a brilliant document, or that US intervention in world war 2 prevented even worse tyranny that what happened. These are things people are trained to believe, they are not learned.

A narrative is imposed, and this narrative can work because it's imposed on almost everyone. But because it is at odds with the emergent order, you see many more cracks that cannot be dealt with but must be strictly denied. This can be done if everyone is denying it. But when voices rise up, and cannot be responded to, you know significant things are going to happen.

Attacks on the constitution cannot be dealt with by people, and they shut down when they hear this. And because of so many presuppositions imposed in the state education camps, we are stunted - unless by some stroke of luck or brilliance we are able to see through the narrative.

But I digress, I assume you want to learn. No state means you can control your education, which means you can spend those months in the library deeply studying. Maybe it won't involve a library or book learning at all, there are many ways to deeply study the emergent order. We have the resources, we have the time, and you have the mind. The sharpness of your clothing can match the profundity of your mind.

I walk the halls of the camps and I see such WASTE. This infrastructure could be used for so much more, if it were just allowed to. If you were free to learn at your pace.

Of course the state doesn't facilitate this! The schools exist in response to demand from the population, the state merely took this energy and diverted it down a perverted path. Of course there will be football teams and gymnasiums, sports before high school is proof of this.

This may not be your cup of tea, but the grand learning that could have been is something I hate the state over.

Material

Interest payments on the "national debt" - which is to say gov't debt, has been roughly $400 billion, 13% of gov't spending each year, which doesn't even take into account the principle, which is $12.4 trillion as of this writing. Defaulting on this debt would ruin those who hold gov't bonds, and lead to a massive recession, but just dealing with the cost of interest for now.

Regulatory compliance costs were about $1.16 trillion in 2008. I am not sure what the US GDP was in 2009, but the regulation compliance costs and the interest on the national debt amount to about 10% of GDP, which you pay for in one way or another. Certainly there will be regulations on a free market, but really the belief that food safety can be directly "regulated" is a utopian and dangerous belief that causes people to trust certification instead of doing their own proper investigations.

The amount of money spent on school would be about half on aggregate per year, as stated in my previous section on education. You would be able to start your life at 16 and educate yourself according to your own desires and needs - not what the state says you need.

This wouldn't be immediate, but everything would become cheaper, and less money being spent on crap would lead to what always happens when people have more disposable money: more investing, and thus greater compounding growth. And the investments would be in projects unhampered by “regulations”.

Freedom

This is of course connected to material well-being. Various registrations for vehicles, weapons, buildings, employees, compliance to lobbied codes, needless hoops to jump through to become some sort of professional, the "web of difficulty" that we all know and hate would be gone, replaced by the commercial side.

I was at the mall alone one day in the food court (I went to buy some headphones). I looked around, the people were disproportionately overweight, they were loud and obnoxious, puncturing periods of nice collective hum of human chatter with blasts of hideous cackling at unfunny jokes. They were breathtakingly vapid; they spread urban legends, babbled about Obama being black-but-oh-wait-half-black, and talked about the failings of other girls. And I thought, "**do I want to make the whole world like this? Absolutely**." If this is the hardship of the world, then we are practically in utopia.

All you have to do to get a job is show up and be willing to work THAT DAY. No crap to fill out, you know what you have to do, and it doesn't have anything to do with the state. All you have to do to start your own firm is get the materials and land. No forms, no approvals.

When someone is harassing you, you can finally use force - perhaps a taser - to get him to stop. No fear of the law finding you the aggressor by some hypermodal standard.

The current problem of patent squatting, people getting patents and then suing anyone who actually invents what they patent, would be gone. And you can create products without having to make sure it's not patented or buy off the patent-squatter.

Community

One aspect of the internet that I find rewarding is the ability to associate with people of like interests in a way that geographically limited real-world relationships make impossible. Of course the internet also provides anonymity, which limits the consequences of people's behavior, and I have found people reveal more uncouth preferences online, which as we all know is necessary for truly excellent relationships.

I'm not some radical pro-honesty person, I depend on lies when talking to most people. If I tell them the views I have laid out in this book, it will cause headaches I don't need so close to home, and the few people I would convince wouldn't be worth it.

When association is limited, you are forced to put up with, and occasionally break bread with people you don't want to be around or talk to. In a more prosperous economy, as would occur on a free market, we could give up more resources to move to people who we get along with better. This occurs today with people moving from big cities to the country and vice-versa, but I suspect on a free market this would occur much more specifically. I expect there would be more things like "the free state project", which is a group of libertarians moving to an area in an attempt to agitate for a less intrusive state.

Now because the state limits material well-being and makes moving and buying anything more difficult, it causes less emergent communities than would occur on a free market, because people can't move as easily. And lets not ignore the forced association hellholes that are the state education camps.

The insane things that go on in those camps are not noticed as being insane because everyone believes in the fantasy. Early in the year, the students are talkative, walking all over the place and are generally more energetic and cheerful. But as the year wears on, the behavior paths become well-worn and the psychic walls are built up**.**

When two kids get in a fight, the first question one should ask is, "why are these two people who clearly hate each other being forced into such close proximity?". It is a testament to the resilience of people that conflicts within the same classroom eventually get resolved and the class can continue to "function".

This book is about the state. I bring up moral nihilism because I have seen people try to make moral arguments against statists, but then the statists can just bring up people dying from a lack of medical services and equate that with killing, appealing to a utilitarian morality. Economic arguments are the only way to consistently convince people, and people who are heavy on morality tend to not remain anti-statists very long.

And so I am not saying the state is the only thing preventing emergent relationships: belief in the sacrosanctity of family or people you've known a long time causes one to put up with shit they wouldn't if they acted rationally. Belief in the bible reinforces this, and leads people to associate with fellow church-goers who they otherwise wouldn't have associated with. But I am saying that is one of the prices of statism.

That said, social life outside of church is so broken that a case could be made that the church does more good in giving people a social life than the harm it does making people believe in god. And this belief in god, as most hold it, is not terribly harmful. Most people haven't read the bible, and so think this god wants them to do "good" things, and these non-denominational churches vacillate on homosexuality and pre-marital sex.

It's such an obvious falsehood that I like to look at how the church is similar to the state. I know

it's in vogue nowadays to attack the church beyond it's effects but for falsehood itself, but this is the sentiment of men who lack any greater goals. The modern church is increasingly liberal, and is not my first target.

Reification of Yourself

Who knows, this may make you more money in the long run. But I can only speak for myself, and this may seem hokey, but if you accept yourself you will be happier. It's obvious. But so many live in the illusion that if they achieve some standard, that will make them complete. These are notions imposed from the top-down. Now of course the people who are imposing these upon you themselves are emergent, but they are not emergent RELATIVE TO YOU.

To you, they are pre-existing external entities that are telling you that you have to do something. Instead of telling you to accept yourself and to love yourself, they demand you fit their mold and then claim that this mold is "moral" or that you have some duty to fit it. As a child this is unavoidable, but today you have a choice. If you can read this book you are able to determine for yourself what you need.

For a career, do what you want to do relative to yourself, and if your friends and family don't approve, then get new friends and family. If it doesn't make you happy now, conforming to their standards probably won't make you happy 10 years from now.

I've already done this and I can't imagine going back. If you are trapped in the camps, just recognize the dark age you are in, and study the camps and try to make lemons out of lemonade by studying (or not studying) what you want, as much as you can. You already know this, just have perspective and use this opportunity inside the belly of the beast to study it's workings.

Model of Reality

The brain is a model maker. Sense organs relay signals to parts of the brain. Eyes, ears, nose, tongue, and the nerves.

The brain then interprets this sense organ data to create a model of the world. And the degree to which the world "we" see is constructed by the brain is underappreciated by almost everyone. It's typically only appreciated when some part of the brain is corrupted.

Our very existence is predicated on modeling the world. It is impossible to be opposed to all mental models. Just walking down the street requires that the input of the matter beneath what is subjectively called our "feet" be modeled as something relatively solid. Even though the atoms don't actually touch, the senses relayed to the brain make a model of "our foot touching the ground".

When you look at the brain this way, it's easy to see that the brain exists to model reality. This is because the brain doesn't have the ability to direct-process the cosmic foam. It has to create models. And these models are very general. In fact they are necessarily general, because if they were apodictic they would be useless. Models only have use BECAUSE they are incomplete and isolate the relevant elements.

Take opening a door. A young child learns to pull a handle down, and that creates a model for opening doors - you pull the handle down. If that child went up to another door and it's a rounded knob, the child may try to pull the knob down vertically. This will fail, but then the child will notice the knob moved one way when he tried to pull it down, and may attempt to turn it that way. If this succeeds, the child has then learned how to open another type of door. **But now he also**

knows that different doors may open in different ways.

In the same way we know how to walk on different surfaces, open different wrappers and bottles, twist all sort of knobs, levers, spigots, locks, hooks, knots, and none is exactly the same. The idea of a "sheep shank" is just a modal concept. The idea of a "knot" itself is a modal concept. Anything other then the true atom is a model.

My theory is that dreams take things that were learned in the day and model them. They extract the concepts and apply them universally, which is why dreams seem so bizarre. And it's also why you don't see the dreams as being as bizarre as you would if you were awake, because you are just experiencing the essential components of the model. For example, a little child who is terrorized by his parents may have dreams about running and hiding from monsters.

Psychiatrists used to theorize that having a monster in place of the parent keeps the child loving the parent in waking life. A monster is used instead of the parent in order for the child to be able to function in daily life, and this monster can be a person other than the parent.

But I would respond by claiming that the monster, or perhaps a series of monsters, are used to model the concept of "escaping horrible people". And this makes sense, because there are children who will have dreams of their parents being zombies or monsters, so we know it's not always censored. And caricaturing the parents as monsters serves to model the concept that, "my parents are horrible people".

Perhaps censoring out the parent at an early age was an evolutionary advantage, because children who ran away from their parents tended to die out, and so not explicitly using the parent in the nightmare could be a product of both evolutionary censorship and the modeling process.

---------- Begin Extreme Conjecture

That is my explanation of dreams. It is the brain integrating concepts, blasting concepts through the neurons.
This may sound odd to you, so lets make a loose deduction:

1. The brain creates general models. This is why you can tie your shoelaces and open doors.

2. Dreams occur in the brain.

3. Dreams tend to relate to events during the day, if just the emotion.

The brain is doing all of this while awake, and I assume it does this at a faster clip while sleeping. Dreams could just be malfunction. I know that there are sleep cycles, and dreaming only occurs at certain stages of each cycle.

It may be that at certain stages the information of events from other parts of the brain spill into the part of the brain that constitutes "the mind". These neuro-electrical patterns do mimic thought-emotions that occurred in the "mind" during the day, but they are not "supposed to" be felt by the "mind" part of the brain.

When these neuro-electrical patterns connect to the "mind" directly at certain sleep stages, the result is patterns that the mind simply doesn't experience during the day, and that then results in a series of bizarre images, emotions, smells and feelings that don't form a consistent narrative. It's like opening an .exe file on microsoft notepad.

The difference is that the "mind" part of the brain is capable of processing all of the patterns in every other part of the brain, and so unlike notepad opening a .exe file, all of the patterns are

discretely integrated into a bizarre and inconsistent narrative.

I do not believe the entire brain is "conscious", nor are/is the part(s) of the brain that is/are conscious discrete or always the same size, nor is "consciousness" a discrete property.

---------- End Extreme Conjecture

But the brain as modeling theory also explains why kids love cartoons, and it explains why cartoons become different for different people. Cartoons model reality. And as the kids get older, the model becomes more and more realistic, until by the time people are adults they're watching sitcoms.

This also explains the extreme complexity of fantasy. Some nerds become obsessed with star wars as a young kid, but as they get older, they demand a more and more realistic model of reality to play with, a more realistic dreamscape. Which is why Star Wars is detailed to an insane degree, and why Klingon is an actual language. Instead of growing up into sitcoms and news shows, these folks advance down a similar path.

Lastly, the modeling theory explains why anime porn is so hot. Anime porn captures the elements of the human body key to sexual arousal. It shows the body, but none of the zits or blemishes. The face has really big eyes which intensify the facial expressions, and the body is just a few lines to show the body parts.

If properly appreciated, anime porn can relay all of the patterns necessary for sexual arousal in a perfectly constructed manner, as opposed to the natural variation and clutter of a real human. However, because anime porn is constructed in a top-down manner, it cannot capture all of the charming ticks that makes a human a human, but it can come close, especially in a static image.

Determinism and Calculation

Dreams are great evidence that the brain and "the mind" are material and not some magik-matter. We can see how "thoughts" come "to mind" that we clearly did not decide to have.

In waking life, information is sent to "the mind", and the rest of the brain and filtered through other parts of the brain, but it goes to whatever region(s) constitute "the mind". In response to this information, which is transferred in the form of neural patterns, the bundles of neurons in "the mind" respond to this information just like any machine. And the nurons throughout the brain are arranged in a manner that certain patterns transfer through much faster than others. The pattern for "scary monsterthing dead ahead" transfers very fast because of however the neurons are organized.

It's an incredible machine, and it's all pre-determined as much as an atom is pre-determined. Because the brain is made up of atoms, it behaves as determinstically as an extremely complex arrangement of atoms. So if one wants to make a case that our actions are not pre-determined, it will not be a matter specific to the brain. Consciousness, this "I" is not evidence of anything non-mechanistic. For all we know rocks and electrical currents could have an "I".

But the brain is a part of an organ-system. And the brain includes the gray matter, but also those medulla and pons things, and the nerves which go throughout the body. So the brain is spread throughout the body and most concentrated in the head. This explains the phantom-limb phenomenon.

It's easy to understand determinism, but the brain cannot calculate itself. It can imagine super-tiny particles, and imagine super-tiny particles forming a larger structure. And then it can imagine a series of these discrete structures interacting. It can even imagine, "it's not discrete structures,

but really a series of smaller particles interacting", but it cannot calculate all of those particles and all of those interactions. That is, just because you understand how atoms interact, then molecules, then cells, etc., doesn't mean you can direct-process at the cellular level in any meaningful sense.

For example, take a mechanical pencil. If you open up the mechanical pencil, you will see a spring, some things that go in and out, however that stuff works. I can't calculate them so I just assume mechanical pencils have free will. And you'll say "oh there's the eraser, some eraser crud, some of the eraser comes off in the slot, the plastic has some stuff on it. You won't say, "atom 1, atom 2, atom 3, atom 4..." - which would itself be modeling the interactions of particles as "atoms", but I digress.

And so my theory is that consciousness is the brain modeling itself.

That the "you" is just a model of the brain. And "you" react to stimuli, but your reactions are literally "mind-bogglingly" complicated, nobody can determine how you will react to any stimuli, sometimes not even "you" can, and it appears as if "you" are making decisions independent of the world - unlike a car engine which is obviously deterministic. And just because you can't calculate the car engine or know how it works doesn't mean you ascribe it free will.

You've seen diagrams, and you know the combustion of gasoline is deterministic, and even insects have brains that are so simple that their deterministic nature is obvious. Even if you cannot calculate what an ant will do one second to the next, after analyzing it's behavior you will see enough patterns form to know it is deterministic.

But as you get more complicated machines, the calculations become too much and free will is assumed. I know it's not true, but I functionally assume free will when dealing with other humans, even though humans are to varying degrees also predictable. And of course it was determined that I would assume free will from any point in time.

Now I am not certain that determinism is true, but I am certain that humans behave as deterministically as atoms. I know there's lots of stuff coming forward about how time may not be linear and atoms may behave non-deterministically, but they behave deterministically enough to where I see the world as a complex machine. That I assume free will in others makes perfect sense, because this consciousness, this "I", is a result of the brain not being able to calculate itself, and assuming free will of itself.

The Mind of God

God is supposed to be omnipotent and omniscient.

First omnipotence. If something is omnipotent, then it can create something more powerful than itself. But since it is omnipotent, it can then control every aspect of this thing that is more powerful than itself, but likewise the new omnipotent thing can control every aspect of the old omnipotent thing, as they are both omnipotent - but two things cannot be omnipotent.

Thus omnipotence implies the ability to create something omnipotent and the ability to control that new omnipotent thing, but by being able to control that new omnipotent thing, it shows that the old omnipotent thing was not omnipotent: it lacked the ability to create something omnipotent. Easy peasy, there is nothing omnipotent by definition.

Now onto omniscience. If we assume that consciousness is the brain modeling itself, then something omniscient would not be conscious. Also, to be scient, that involves calculation. And it takes more than an atom to calculate an atom. I know there have been great advances in computing, but this is a limit that cannot be breached except for quantumness, which is a lot like

saying "except for magik". Therefore, to calculate the universe, god would have to be bigger than the universe, and exist outside of the universe IF it was composed of particles in the same way our universe is composed of particles.

I am not saying our universe is composed of true particles, I don't know what the "true atom" is, or even if space and time are infinitely divisible, or what "space" and "time" are...

But if god exists outside the universe but is composed of the same stuff as we see in the universe, then god cannot be omniscient. It could be able to direct-process the universe, but god could not direct-process itself, thus god cannot be omniscient.

Take any material, wave, string, space, time, or whatever weirdness out there exists itself in whatever it exists in. Maybe it doesn't take up any space or any time, is just disembodied "information", whatever. Whatever can be thought of or can be. That "stuff" cannot calculate itself UNLESS you equate calculate with being.

(A rock calculates itself by being itself. And the universe calculates itself by being itself, and so the universe is god! This is obviously silly.)

So when dealing with "stuff", the concept of "calculation" is revealed as notional. Lets look at some definitions of calculate:

"To ascertain by computation; reckon: calculating the area of a circle; calculated their probable time of arrival."

"To make an estimate of; evaluate: calculating the team's chances of winning."

"To make for a deliberate purpose; design: a sturdy car that is calculated to last for years; a choice that was calculated to please."

"To perform a mathematical process; figure: We must measure and calculate to determine how much paint will be needed."

"To predict consequences."

Stuff cannot predict its own consequences with apodictic certainty as omniscience implies. If an immaterial hypercube behaves in a manner that can be modeled, that's not calculation by any of these definitions. Other "stuff" would have to be arranged in a way that they can predict all of the non-material "stuff" that makes up the hypercube with apodictic certainty.

The definition of "calculate" implies the usage of more "stuff" than is being calculated, be it material or not. And if being something counts as calculation of that thing, then the universe is omniscient, which is just bastardizing the meaning of calculate to form a tautology.

Because of this calculation problem, I am a hard atheist. The omnipotence thing is obvious and secondary.

Order is Emergent

Through their own properties, protons, neutrons and electrons, whatever they are made of, come together to form atoms.

Atoms, through their attractive and repulsive properties, come together to form molecules. Molecules, through their interactions, form cells. By combining a great deal of heat and pressure to pyrruvic acid and water, an enclosure is formed which protects molecules, creating an

environment in which they could theoretically form cells.

In the Miller-Urey experiment, the chemists Stanley Miller and Harold Urey were able to create 22 amino acids with water, methane, ammonia and hydrogen by combining a lot of heat and pressure to this soup.

Without a protective enclosure, the amino acids quickly get broken down. Bob Hazen's experiment with pyrruvic acid shows how a protective enclosure could be created in an environment similar to that which forms amino acids.

However they are made, cells then can combine to form tissues, such as algae or certain types of seaweed. This is a multicellular organism but with only one type of cell. After that, tissues then combine to form multicellular organisms with multiple types of cells. This all emerges from the crude rulesets of individual cells interacting with each other.

Then the organisms themselves get together to form societies, like schools of fish, herds of buffalo, flocks of birds, hives of insects, packs of wolves, or tribes of apes (including humans).

For centuries, the flocking of birds confounded ornithologists. Many bizarre theories were put forward such as the common soul, thought transference or the chorus line hypothesis. In 1986 Craig Reynolds programmed the basic ruleset of bird behavior into a supercomputer at the time, and the birds flocked. The solution emerged from the simple behavior of each bird in the simulation.

Human crowds work the same way. A line of people will form as a result of one person following the other trying to get through the crowd, doing his own thing. There are no commandments, it just happens, it just emerges.

Civilization is built up in the same way. A man learns to farm, then realizes he can grow more by carrying water to his crops. Other men then realize the same thing. As a result, they all get together and work out an irrigation system that will work for all of them, and will prevent overuse by any individual farmer somehow.

Human civilization is an emergent complexity, it is not mandated from the top down. It is built up. The rational self-interest of individuals is what created irrigation, any type of infrastructure. Before states, larger ports were created when shipping companies got together and made ports to benefit from an economy of scale, again working out allotments to prevent a tragedy of the commons. Trade networks developed when individuals realized they could make more money by taking goods from one area to another.

So what is the state? The state, in this sense, is a false certainty that stems from a misunderstanding of how the world really works. The first states were religious, and the first kings were connected to god in some way.

Either they were demi-gods, chosen by god, had a revelation from god, or where the high priest. This god connection gave the first kings the legitimacy in the eyes of the masses, and a mirage of certainty.

The idea that humans must be ordered from the top-down stems from the idea that life itself is ordered from the top down, either from a singular god or from various gods assigned to regulate certain things. Poseidon, Zeus.

The irony of course is that the state itself emerges, that which denies emergence emerges. Each individual wants things to be ordered and nice, and takes action to make his life ordered and nice. But unlike birds, men can think abstractly. This gives them the ability to use language, make

maps, and the like. It also gives them the ability to dream up genies, angels, a benevolent state, pixies and gods.

But of course the rational self interest of the people who are perceived as being agents of the state is why there is such abuse in the state. The same principles that predict how life and human civilization will emerge, and how the state will emerge, also predict how individuals given artificially high levels trust and authority by the masses as a result of being seen as the state will abuse their power.

Nothing can be omniscient because it cannot calculate itself, and the state cannot calculate society as even if it were made up of every single member of society, the state cannot calculate itself. It takes more than one person to calculate the behavior of one person, and the notion that the state can calculate subjective demand better than an emergent matrix of prices and ostracisms is theistic.

I said this in the text, but let me say this again: STATES EMERGE IN THE SAME WAY CREATIONISTS EVOLVED. States are non-emergent in that they deny the emergent order and are utopian because they are trying to create something independent of the elements that constitute the market (this is impossible, and the results of the attempts to do so are manifest).

Presuppositional Chaos

Religion, statism and morality are not rationally analyzed upon their adoption by and large. They are presupposed at an early age. Children are taught that "god says X", and that "X is immoral", and that they should listen to the teacher and policeman. This is why, as of 2010, most people believe in 1. god 2. the legitimacy and necessity of the state and 3. morality.

Immediately following the collapse of one of these idols, many will try to fool themselves by redefining god as the universe, the state as the institutions of social order, and morality as aggregate utility (utilitarianism) or individualistic utility (egoism), and ethics being the means to achieve these ends.

Morality and religion are often connected, but not necessarily so, as all social animals have subjective senses of justice which humans, though language, made explicit. However in making them explicit humans opened their "morals" up to syllogistic examination, and anyone could ask "why?".

"Why is non-retaliatory killing wrong?"

"Because if everyone went around killing our lives would be ruined."

"Oh so that which ruins our lives is immoral?"

"I guess so."

"Then why call it a matter of morality when you're appealing to utility?"

And that's the blankout. An honest answer would be, "well we call moral or immoral things that arouse positively or negatively our senses of justice. And since our senses of justice are mostly universal (no killing, stealing, raping, slandering) we are able to get together and form a functional and peaceful society through this relative agreement."

But thanks to religion, the first principle of god was introduced. Instead of honestly saying, "well there is no morality, just intersubjective consensus", they say "X is immoral because god" (even though god's omnipotence and omniscience doesn't imply morality). And when asked why god's

conception of morality bears a striking resemblance to the morality of peoples not enlightened by god's wisdom, the response is that "man was made in the image of god, and so is a facsimile whose values and morals will bear resemblance to the commandments".

But now that more and more people are starting to not believe in god, atheists are trying to cobble together a justification for their "morality".

This cannot be done, and it is simple. You cannot derive an ought from an is. And a nearly universal characteristic doesn't imply an objective ought either. All notions of "ought" and "right and wrong" are just that, notions. It is definitionally notional, even if it is god's notion. So the reason we are currently in this moral mess is because of the presupposition of god, or if not god most children where fed some morality by their parents.

And children have very weak intellectual defenses against their parents, so when a parent says something the child will suppose it true. So the presupposed authority of the parent results in a parent being able to influence the child's beliefs beyond rational argumentation. The parent says something and the child more or less assumes it true.

This makes evolutionary sense, as a child who listened to a parent when the parent told him to not touch a spider would be more likely to live than one that analyzed for himself the safety of playing with spiders. The presupposed authority of the parent is not something to be necessarily despised or lauded. It is a trait that evolved, nothing more.

Most animals have far more presuppositions than humans. It is considered a mark of intelligence if an animal learns something from the parent, even if this learning is disintegrated. Most animals learn almost nothing, and their lives are the simple acting out of reflexes that aren't even learned, but are presupposed in the DNA. This is why humans are completely useless as babies, whereas baby deers can walk upon birth. Using this standard we can be discrete about who we call "sub-human" - people with lots of presuppositions. They lack the trait that differentiates humans from other animals: integrated thought, learning. Though I would caution against the cavalier brandying of this term for practical reasons.

A small child is also inclined to listen to the presupposed authorities of society at large (as he detects them). This of course fades out as a person becomes older. I am inclined to believe that presuppositions are on net a positive.

Hypnotism works by this principle. The subject is put into a trance. Now a trance is not anything special, and it is not something discrete, but a continuum; when you daydream you are in a light trance. When you suddenly become keenly aware of your immediate surroundings - the ground you are on, the size and feel of the objects around you, perhaps even noticing the silliness of gravity, you are in a "less trancy" state of mind or what I call an "anti-trance".

When in a trance, the subject has less intellectual defenses, and so whatever is said to the person while in a trance is more likely to be presupposed to be true. The deeper the trance, the weaker the intellectual defenses. However, if the person goes too deep he falls asleep and cannot even hear the hypnotist and so no suggestion is possible. This is not the same as a child presupposing parental authority, it is presupposing whatever is said by anyone because one is in a trance. I am not sure how well this works, but that is the principle behind hypnotism.

It is no accident that speakers and political rallies become "hypnotic". And it is through presupposition that god, the state, and the sacrosanctity of the family are believed in. Especially the self-contradictory absurdity of the democratic state: we need the state to protect us from ourselves, but we can decide what this state does through elections? At least an autocrat can say "I know better than you, listen to me peon" and be consistent in his theistic megalomania. For the democratic state, the necessity of the state was presupposed, and democracy was how it was to

become non-tyrannical.

"The hypnotic voice of my mother". I theorize that this is what the Sirens parabled. I personally believe it was a vivid dream Homer had that modalized the belief that his mother was abusive.

Chaos spurns forth from the null zone. That is the zone disconnected from reality, or in economics disintegrated from the structure of production. And the institution that creates the economic null zone, the state, is believed in via a childhood presupposition - the evolutionary null zone. This null zone allows children to learn very fast, dare I say artificially fast and in a disintegrated manner. This allowed for the presupposition of god.

The first states were justified by the presupposition of god. After that, the state became directly presupposed.

Primitive societies gave children horrible presuppositions, and the result was horrible societies.

Logic vs. Emotion

Ignoring that there is not a strict dichotomy between logic and emotion, and that one doesn't really even know what a "thought" is, it is important to state up front that civilization is a product of logic, not emotion. Anyone can emote, emotional "reasoning" is the default. It takes no skill or strength of character to emote. Any animal can emote.

What allows humans (and to a lesser extent the higher apes) to build labor-multiplying tools is the ability to think logically and abstractly. To be fair this faculty allows man to conjure up things that aren't true as well. But what I often get is people telling me, "that looks good on paper, but it doesn't work in the real world".

What they're really saying is, "I understand what you're saying, but I feel that there are some variables that you aren't taking into account." And it's a compelling feeling. But typically the feeling is the result of some unfounded prejudices. For example I can explain in excoriating detail the functionality of a stateless society, but the listener may feel that I am missing something, but they can't say what.

I want to stone people when they do this. This is retrograde, and it is the main problem with people today. Presuppositional feelings. This happens all the time in sports betting. Idiots take their "gut" into consideration, and the result is that they get taken advantage of by professional bettors. The brain did not evolve to deal with things as complex as intercollegiate football on an emotional level, let alone an "economy".

When one claims that "the free market looks good on paper, but in reality it leads to (fill in boogeyman here), and thus you are erecting a philosophical machina that has no bearing on reality", an appropriate response would be that it is statism that is inflexible. It is statism that is hypermodal, that postulates brittle certainties about "the law" and "what is to be produced". It is the free market that is an emergent and dynamic web of forces, it is statism that is sterile and detached from the real world.

When dealing with economics, emotion is simply subsumed under "supply" and "demand". If someone has an emotional opposition to rape, that means there is a demand for rape to be stopped. It's just part of the demand curve, it's not something special. If you don't understand that, go back to living in trees. If there is a demand for free services for people who cannot afford them, this demand will be supplied.

Civilization stems from abstract thoughts and mental constructions. It stems from concepts. The ability to save capital and plan for the future. To engage in discipline and controlling one's

appetites by not buying every little gizmo or game and instead expending saved resources on production equipment.

Without this, we are all just flailing and emoting masses of bio-matter. Now some humans are just that, flailing and emoting monsters. They get a ride off of the ability of others to think abstractly, and thus enjoy civilization.

If you are unable to think logically and either ignore or explicate your "gut feelings", then please do not waste the time of people committed to logic by speaking to them. If you choose to be an ape, go back to the jungle. Civilization does not need you or any of your "gut feelings".

Note: people who spend years studying a topic can develop an ability to quickly see things. An example would be a man who inspects paintings for a living who is able to know within an instant if a painting is a forgery, but cannot immediately say why. This is not the same as a "gut feeling". The "intuition" of the painting inspector is not really "intuition", it's an ability to create extremely rapid preliminary analyses that stem from years of experience.

Second Note: despite this, I do make emotional appeals in this book. And I believe my choice to make emotional appeals is a logical one given the way people are. It is logical for me to not always be logical. And since I am always logical, I will not always be logical (!).

<u>The State</u>

Authorities

If I convince of nothing else, I hope I can advance the meme that the state, primarily, is an idea.

The word "state" is appropriate, as it is primarily a state of mind. There are various agents of the state: the president, the general, the governor, the senator, the policeman, etc. One can say these people "are the state", or that the state is the idea itself. The concept, the buildings, the people, I don't know - the state! The more one explores the state, the clearer it becomes that "the state" is not something that can be defined apodictically, but it is clear enough to analyze the effects of "state action".

Some have gone so far as to say that "there is no state", this is not true. But the common misunderstanding of the state, or I should say non-understanding, is so severe that the state, as most people see it, does not exist. And that is what these folks who say "there is no state" are getting at.

When you think of the state, what images come to your mind? A specific building? The various temples at Colombia? Images on the currency? The hallways at the education camps? Or certain authority figures? Perhaps an instructor from the education camp?

And when you saw this instructor outside of the camp, or school as it was called, did it not seem strange to you? Perhaps this instructor was buying something, just like anyone else. Many find this circumstance most queer, seeing the authority figure "out of uniform" or in this case "out of position".

All that is happening in these circumstances is that the fantasy is being removed from someone who in your mind is embedded in that fantasy. It's almost like they are part of that fantasy, not normal people, but "teachers".

If a person is great at math and has solved every problem you have ever seen presented to him,

then he becomes something of an authority figure in regard to maths. He will be cited by others, and saying he is wrong about an equation will not be taken lightly. But whether he wears a particular uniform or it is a certain time of day has no bearing on his mathematical authority. His authority is genuine, integrated, emergent, it is earned.

Your projection of authority onto this math wiz is a reflection of experience with him in regards to problems, it was not presupposed like that of the camp instructor.

The idea that the camp instructor was indeed a "teacher" and not just some mouthbreather who couldn't get a real job comes from an ideology.

By ideology I mean "a systematic body of concepts especially about human life or culture". When one views the camp instructor as an authority figure simply because this person was assigned to that post, that is a result of ideology.

I would not say the authority projected onto the math wiz was a result of ideology, though this comes down to the definition of ideology. When I say ideology, I do not mean all thought. The reason the camp instructor has authority projected onto him is because the projector, the "student", has accepted the presupposition that the instructor assigned to him by the state is legitimate. He believes the instructor assigned to him by the camp managers is proper. This is not to say he likes that teacher, but he does view the arrangement as legitimate.

At the outset this was caused by the parent telling the child to listen to "the teacher". The parent tells the child to listen to "the teacher", drops the child off at "school", and the child finds himself in a troubling situation not of his choosing. His only real option then is to listen to and obey the instructor. The difficulties in this new environment are compounded by conflict between children forced into the camps.

This is partly why stories of the idyllic past and present struggles are so compelling.

After a period of time, the camps become normalized and "legitimate". Their legitimacy is reinforced by the other kids obeying the dictates of the instructors and camp managers. Developing a lore about it, even comparing their "grades" to each other, who won various popularity contests such as "class president", "prom king and queen", "captain of the team", "league champion", "valedictorian", et cetera, all serve to normalize and systematize the idea of the camps. To get people invested in the camps and not question their existence in the first place.

I am not commenting on the utility of teaching reading and writing and math. I am saying that kids comparing grades issued by instructors legitimizes those instructors. Whether or not that which they are graded on is of value is a discussion to itself.

These education camps wonderfully mimic the state generally. The same projections of authority and conformist memes that kept the "students" in line are similar to the projections and memes that keep "citizens" in line.

Ownership

Lets say you make a shirt. You physically plant the cotton in the ground, you tend to the cotton all through the process of its growth, then you pick the boll from the stalk and separate the seeds from the boll. Then you do everything that needs to be done to turn that cotton into a shirt; you mine the minerals and create the chemicals needed to get the cotton to clump up in a shirt-like consistency, sewing the patches together, etc.

You have created this shirt from start to finish. There is no ambiguity as to whose labor resulted in the creation of that shirt. Do you now "own" this shirt?

Well if you're Robinson Crusoe, the idea of "ownership" doesn't have much meaning. If there are a bunch of people around you, then you can use that shirt to the extent that others don't rip it off of your back. If they don't believe you "own" that shirt, for whatever reason, and the mob rips the shirt off of your back, then practically speaking you do not "own" that shirt.

There is no objective ownership. When you make a shirt, it doesn't then physically attach to your body (and that would only matter if people around you agreed that you "owned" the body the brain associated with your subjective perception of being is attached to).

All ownership is based on an intersubjective consensus. What I mean by intersubjective consensus is just that:

subjective - what each subject, in this case people, think.
inter - relating to each other.
intersubjective - what people think about something in relation to other people.
consensus - something agreed upon. (NOT to be confused with voted upon).

I do not mean subjective consensus, as that could mean five communists in a city of one million having a different belief of what constitutes ownership. Even if those five people don't like the private property arrangements of that city, they recognize and respect private property because private property is overwhelmingly supported in that city (what the limits of the city are being subjective perception - even if somehow defined, "city" is subjective.) Practical ownership comes from an INTER subjective consensus. And inter means in relation to the other relevant subjects. Sure the 5 communists have a consensus of communal ownership, but they have to deal with the rest of the city, so they must consent to the property arrangements of everyone else in the city if they want to get along.

If those 5 communists moved into an uninhabited area, and this area was not claimed by a state, then the intersubjective consensus in that area, as it pertained to property ownership, would in fact be communistic (whatever the specifics of that are). That the people living in the city have a different consensus of what constitutes ownership is immaterial, and does not intrude on the intersubjective consensus of the 5 communists.

The intersubjective consensus is not something I am advocating. It is just a description, intersubjective consensus is a term I use to describe reality. Of course there is no "intersubjective consensus" anymore than there is a "forest" or "herd of buffalo". There are trees, buffalo and individual actions and agreements, and like forest or herd, intersubjective consensus is a conceptual box.

When you buy something from 7-11, why is it then agreed that you "own" that which you "bought"? When you buy the slushie does the material nature of the slushie change? No, but when you give the cashier the requested funny-money it is then perceived that you "own" that slushie.

Land works the same way. You "own" "your home" because the relevant subjects around you agree that you do. It is the intersubjective consensus that you own that home and the land it is on. Ownership for a home works no differently than the ownership of the shirt on your back.

This is a very basic outline of the intersubjective consensus as it pertains to ownership.

Typically people refer to the statements of various institutions to determine ownership. For

example in the territories of the western US, before those areas became incorporated, the settlers formed claims associations. They would decide upon what exactly constituted ownership of land. They may decide that "farming an area for 6 months within any 12 month period constitutes ownership of that plot of land. Leaving a field fallow for a period longer than 6 months within any 12 month period will result in the forfeiture of that land to whoever proceeds to cultivate instead".

Thus, the dictates of the claims association becomes the criteria of ownership agreed upon by the people in that area. That becomes the intersubjective consensus of property ownership. Some person may decide he does not like this arrangement, but he will have to contend with his neighbors' belief that the dictates of the association are legitimate, which is to say he will have to go against the intersubjective consensus in that area. This is not fun.

"But isn't this just a small state?"

No. Not in the slightest.

The State

I have described what I think "property" and "ownership" are based on, and from now on will no longer regularly deal at that low level of abstraction. I am "boxing" this concept, so instead of saying, "bob 'owns' a shirt according to the relevant subjects around him", I will just say "bob owns a shirt". If a conflict ever arises as to who owns what, I will "unbox" the concept and deal with ownership at the more basic level. Now the state needs to be defined.

The State is an entity which exerts a measure of de jure authority over an area it has not acquired ownership of via the commonly agreed upon criteria of ownership for non-state agents. Or more succinctly, it is a land monopoly that stems from a double-standard in the criteria of ownership.

For example while you may have to build up so many improvements per acre or farm land for a period of time, the state can just "pass an act through congress" and declare 10,000 acres as "wetland preserve" or "national park land". And they can make you pay rent on land that you supposedly own. They call it "property tax".

The state is made up of people, like a company, and these people rotate in and out, and after many years you can have a completely different set of people who make up "the state". The state is typically an institution. I do not feel compelled to address the more exotic states.

An example of a more exotic state would be like an individual man who is viewed as the state, and when he dies the state dies. Or a religious cult that believes everyone in the world should make some sacrifice to the gods, and so the people force them to do so, even though there is no formal institution carrying out the coercion.

Just dealing with things like "The United States" or "Canada" or "Germany".

For example a claims association only deals with land its members are living on. All land not being homesteaded by members of the claims association is not claimed by the claims association. If one wishes to live just outside the property of a person apart of the claims association, they will do so.

A state, however, will claim a large body of land and issue a fiat decree, perhaps a property tax.

That is by living on land claimed by whoever makes up the state, you are said to be "living within the borders of X state" and are subject to the laws and taxes of that state. The state does not acquire property in the same way non-state subjects do.

This can get fuzzy in theory, but in practice it is not ambiguous what is and what isn't a state. For example, females may have different things they have to do to acquire ownership of land than men, but it would be silly to say women or men are now "the state".

The ability of the state to issue decrees pertaining to anyone living in the area of their claim is based primarily on belief. The ideology of the state as being "legitimate". This is not to say that individuals will like the state anymore than they will like respecting the property of some crank, but that they view such things as legitimate.

Belief is what maintains private property, and private property is necessary for the buildup of capital and people producing things that people want.

Belief is also what maintains the state, which I consider a perversion of this belief structure. Though a value-free analysis would conclude that a state is just another type of intersubjective consensus of ownership. Which it is, but it is a highly destructive type. But when looking at what constitutes "ownership", we see that what is a state is in fact not something different in kind, which is why the state cannot be apodictically defined, but only relatively defined. And practically speaking, it's easy to spot states. The fuzziness is only theoretical.

When one says, "we are the state", this is what they mean. It's not true, you are not the state, but the state is considered legitimate. Because it is part of the intersubjective consensus of that which is valid, many mistakenly view the state as part of them - "we are the state", especially if they themselves believe in the state.

My opinion is that the state is a perversion of the tendency among many species to assign ownership of property to individuals. For a state to come about in the first place people must believe in ownership, because without ownership how can the institution of the state be said to have, typically limited, ownership over such vast territories they have never touched? It cannot.

This is why many anarchists wish to abolish private property altogether, that is they want to drive private property out of the intersubjective consensus worldwide. This cannot be done, as private property is crucial for a sustainable structure of production to form.

Historically "anarchists" have been against all land ownership. This stems from a correct analysis that the state can only exist when there is a belief in property. And when the anarchists rail against those decent but misguided chaps who call themselves "market anarchists" saying "market anarchists aren't real anarchists", they are correct. But the existence of cancer doesn't mean we should abandon cell-structure, and the existence of the state doesn't mean we should abandon "property" ownership. (Property means things like land and buildings, not what are subjectively defined as "personal possessions".)

An analogy would be that one shouldn't cease to be offended by grotesque "injustice" just because he realizes that ethics are contrived.

Within the claims association, there may be individuals who greatly object to the rules of the claims association. An objecting individual may lobby to get those rules changed, and succeed or fail or acquire individualistic concessions... whatever.

If he is unable to acquire concessions from the relevant agents of the claims association, and still tries to start a pig farm (which smells REALLY BAD. Not like "ha-ha who farted" bad, more like "I can't even think" bad) he will face force from whoever is assigned to use force against those who shirk the decrees of the association. Thus force is used at the margins in the association. One could call the folks assigned to violently enforce the rules of the association "the marginal association", and the people who founded and convinced / convince people to join the association as "the ideological association".

(One could accuse me of overanalyzing the claims association, as in the past they typically consisted of part-time bureaucrats who managed collective affairs once a month, but I am doing this for a reason).

However if an individual holds sufficient antipathy toward the rules of that association, he will most likely leave. Either he will leave the geographic area of the association member's property, or he will trade land with someone on the geographic fringe of the association and secede from the association that way. Fill in the technicalities as you will (and spare the world and your mind silly thoughts about encirclement scenarios).

One cannot leave or secede from the state as it stands. The way we know this is that the bulk of the population of the planet hasn't seceded from the various states, or at least a sizable portion hasn't.

The state is maintained the same way the claims association is maintained, primarily through ideology - belief in the state as legitimate, and through force on the margins.

The vast majority of people view the state as legitimate. Some may not like bush or obama for whatever reason and say he's "not my president", but they are not saying the United States Government, as an institution through time, is illegitimate. And supporters of the state need not be gung-ho patriotic flag-worshippers or constitution fetishizers, but can be resigned to the state as some inevitable law of nature like "death and taxes" or view it as a "necessary evil", saying something like, "yeah I hate taxes as much as the next guy, but the roads have got to get built somehow".

More detail is necessary for this, but for now lets just work from the point that the vast majority, say 98% of people in the area claimed by the "United States Federal Government", believe the state is legitimate.

So the vast majority supports the state and pays taxes, which enables the state to hire soldiers and police. I am not saying that state police are completely worthless, that is another issue for another section, but police can be called upon to put the screws to tax resistors.

If a person avoids paying taxes, he will get hit with a late penalty. If he refuses to pay the late penalty plus the tax, he will then have a trial where the legitimacy of the state is assumed, and will then be sentenced to prison. If he resists being sent to prison - that means with guns, he will be killed by the state police force who will claim they were "enforcing the law, and in the process of enforcing the law they defended themselves from a tax evader" and put a bullet in his head.

That is the marginal state. That is how cracks in the ideological state are prevented from forming.

Because if anyone was allowed to secede, you would have cascading secession. A few trailblazers would step out into the boogeyman-world of "anarchy", it'd be fine, then more would leave, and soon only the most deranged cultists would cling to the state. To prevent this, the state cannot afford to let a single man secede, lest the others start getting ideas.

Killing tax resistors doesn't happen very often, because when most receive a fine, they pay it. And most humans have a revulsion against killing, and so any state agency that killed a tax resister would not be very popular, and state agents themselves are humans and typically have a few smoldering embers of compassion that can get through the schadenfreude against state-defined "criminals".

What's more is that repeated use of force destroys the ideology, it weakens the legitimacy of the state in the eyes of the "citizens". States which repeatedly use force on their "citizens" are weak states, because it means there is a large percentage of people who are kept in line by force alone and don't believe the ideology. I call this a "high percentage marginal state".

A man holding up a bank and holding everyone inside as a hostage would be a 100% marginal state.

Stockholm syndrome is an example of the ideological state forming after a long occupation. This can and did happen, and it is how states expand, but even this expansion is not done by force alone. It requires ideological support SOMEWHERE. Typically a state has ideological support in one area, taxes this area, and then suppresses another, the suppression funded by the taxes from the homeland.

I apologize for the cliche' metaphor, but it is similar to sheep and the sheepdog. If a flock of sheep were to all rush against the sheepdog and the herder in a uniform attack, the sheepdog and the farmer would be overwhelmed. A few sheep may die, and if this were the movie "Babe" those sheep would be remembered as martyrs of the revolution. Without belief in either the legitimacy or overwhelming force of the sheepdog, the sheep would go their own way.

And even with the belief, a few sheep will stray, and the sheepdog or herder are needed to herd the sheep back into the flock on the margins.

If you resist hard enough, the guns will eventually come out, and the true nature of the state will be revealed.

Now I haven't gone much into the utilitarian superiority of the stateless society, or even how various sundries would be managed (roads, defense, safety and health regulations, police and law, scientific research, humanitarian services, the monetary system, etc.), but I just wanted to lay out the very basics: how ownership works, how associations works and how the state works in a basic sense.

Also, hopefully, if one really internalizes this basic fact, he will see that at the bottom of it all the state is a death cult - and that one should not be so casual in advocating state action. Because by doing so you are advocating death threats. That is you are arranging and pointing the guns in certain directions to achieve the desired results, even though most are trained to not see the guns.

Somalia

The Xeer is an agreed upon legal system used by Somalis. It is similar to the old English common law. Unlike most states on the planet, Somalis regard the law and the state as two separate entities, and view state law that conflicts with the Xeer as illegitimate.

"Xeer will never stop being used, Xeer is stronger than any government's laws. The government

laws don't satisfy the people; they do not bring about a sufficient justice, and so they do not bring peace between the groups.
Dahir Mohamed Grasi

The Xeer defines ownership, and so there is an intersubjective consensus in Somalia about what constitutes ownership independent of any state. The Xeer focuses on restitution to the victim of a crime, not necessarily punishment of the criminal, and no religious or political leader may become a judge.

The Xeer also unambiguously opposes taxation as a clear violation of property rights. Thus all states that have imposed taxation in Somalia are in violation to the nominal intersubjective consensus. The Diya defines rules regarding punishment, and shari'a regarding inheritance primarily. Courts in Somalia can be islamic or clan courts, which are paid for by donations of successful businessmen similar to how companies in the west host spectacles as a form of free advertising.

Most Somalis view taxation as both immoral and illegal, though have submitted themselves to states.

Italy established a state in Somalia in 1927, and then lost this area to the British in 1943. The area was transferred back to the Italian state in 1950, which was then obligated to transfer the area to a Somali state in 1960.

In 1969 there was a coup in Mogadishu, which led to the establishment of the Supreme Revolutionary Council and Siad Barre declared Somalia a socialist state. Barre denounced all forms of clanism, which had been key to Somali organization and was how things had been done for thousands of years in Somalia.

Barre's economic and foreign policies were disastrous. He attempted to implement what he called "scientific socialism" which led to brutal oppression of the clan structure and general stagnation. Political opponents were subject to killings, torture, rape, forced relocation, et cetera. Only one newspaper was allowed in Somalia, and TV and radio were completely censored by the state. "Gossip" was illegal and many forms of association were punished by death.

The state was also one of the most corrupt on the planet, embezzling funds, stripping assets from firms, and generally behaving in the way those with a total monopoly tend to behave. Totally desensitized to the misallocation of resources, they misallocated as much as could be done to support their individualistic ends.

Land was nationalized in 1975, and all told manufacturing was only running at around 20% capacity. In the 1980s Barre's projects were all going bankrupt, he turned to the printing presses and the result was predictably hyperinflation, about 100% a year from 1983 to 1991. The result was that Somalis couldn't calculate or efficiently distribute resources because the monetary unit was unstable. That is prices couldn't be calculated by individual Somalis, and the result is chaos and deracination.

Standard totalitarian stuff.

In the 1980s 100% of Somalia's development budget and 50% of the mandatory budget was funded through foreign aid, and so we can thank foreign states for enabling Barre. In 1987 over 70% of Somalia's operating budget was financed by foreign aid.

In 1989, less than 1% of Somali government spending was on economic and social services, while military and administration accounted for 90% of government expenditures.

Barre aligned with the Soviet Union, fought a war with Ethiopia (which adopted similar marxist policies) in 1977 and 1978 over an area called Ogaden.

The Barre government was so incompetent and corrupt that in 1991 there was another coup in Mogadishu led by the United Somali Congress. That year 400,000 Somali refugees in Ethiopia returned to Somalia.

According to Peter Lesson, Somalia has improved in 15 of 18 indicators regarding standard of living he measured. That table is on page 12 of this document:

http://www.peterleeson.com/Better_Off_Stateless.pdf

Lesson wisely put a ? instead of stating whether the situation had improved in regards to GDP. In a centrally planned economy, planners can just assign values to anything. Decoupling from the market decouples from the price system and it is impossible to assign value to state programs in the same way the prices of things emerge on a free market.

For example the state may spend $1 million on a state school, but have $1 million worth of services been rendered? Almost certainly not, but it will be reported as $1 million of GDP. Also central planners tend to over report output.

And while the GDP stats are lower, individual citizens are consuming much more. Also keep in mind that much of the GDP was military spending, and even if the total "value" of that which is produced is less than in 1991, Somali citizens are apparently better off instead of militarists.

Education during the state's reign in Somalia was funded primarily through foreign aid, and so the collapse of education dove tailing with the collapse of the state could have been expected. Apparently education simply is not a worthwhile investment for most Somalis, at least today, and so the decline in education spending can be classified as a reallocation of resources to more productive ends.

Welfare in Somalia is provided by social insurance funded from abroad, with remittances averaging $4,170 per household. There is also the extensive clan-based system. Medical services are provided like any other service on a private basis, and welfare is not doled out in kind but is just money-transfer. As one would expect on a free market.

That said there are a few extremely weak governments in Somalia funded by foreign aid. This is the Transitional Federal Government, the Puntland Government, and the Galmudug Government. However when researching the Somali economy, I found the activities of these governments to be rarely mentioned. They are mentioned more in matters of war, which suggests that the primary activity of these governments is waging war with foreign aid money.

Also the roads have apparently been seized by various clans which charge tolls, and if one wishes to live in Somalia he typically has to pay a warlord 5 to 10 percent of his income for "protection". This is significantly less than the tax rates of western states, and one can move from area to area to pick and choose warlords in a way that states simply do not allow. I suspect that these fees would not be as high if there were not so much state involvement.

Since 2006, warring has spiked and there has been a tangled mishmash of forces attempting to impose a state in Somalia, and none of them have been able to do so.
The two main factions are the:

islamic Courts Union and various islamists:
- These are the people who want to impose shari'a law and make Somalia an islamic state. They are backed by insane fundamentalists within and without Somalia.

The Transitional Federal Government:
- An agency contrived by the UN, supported by the US, UN, Ethiopia, Puntland and Galmudug. The mainstream media will try to paint these guys as the "good guys".

Then there are the various clans:
- The clans can be said to be the organic form of social organization in Somalia. When a state is unable to claim an area, the clans assert themselves. They are the default so to speak, and fall back on the Xeer. These are the "good guys".

I must admit that I don't take much interest in who invaded what where and when. The islamists and the Secular Statists want to dominate Somalia, and the various clans just want to do their own things on their own property.

Violence in Somalia today is grossly exaggerated and focuses primarily on Mogadishu as opposed to the rural areas which never depended on state institutions in the first place - and to whom the collapse of the state simply meant less taxes and murder-rape raids.

From July 20 2006 to July 15 2009, there have been and estimated 25,403 combat deaths. Of these, 16,724 are purported to be civilians.

This works out to about 5,575 civilian combat deaths per year. There are Approximately 139,560 total deaths in Somalia per year, or about 18 per 1000 people as of the most recent data in August 2009. This works out to about 4% of all civilian deaths in Somalia being caused by combat during the civil war that started in 2006.

From what I have heard, there have not been significant reductions in capital or general economic growth following the spike in combat.

Piracy: the Somali pirates are exploiting naval gun control laws. Large supertankers could be fitted with howitzers and an array of weaponry on a free market. This would make sense given the value of their cargo. States can end piracy by allowing supertankers to carry howitzers.

So there's nothing wrong with the Somalis specifically. They're just exploiting statist gun control laws. The problem is with the states who ruthlessly and dangerously disarm their citizens.

Furthermore, piracy is a dangerous business, and it stems from a lack of economic opportunity, which I would blame on states not allowing the free flow of goods and people across borders. What this does is it balkanizes the division of labor globally, and this creates artificially high levels of income inequality between the citizens of various political units.

For example, whites in the US as of 2009 earn about $50,000 per capita, whereas blacks in the US earn about $35,000 per capita. A gap to be sure but since whites and blacks in the US are in roughly the same political unit, the gap is not that wide, less than 50%. Most black people can afford a car, a microwave, a refrigerator a place to live, either television or internet, and some dental and medical services. In somalia the per capita GDP is roughly $600. And so for them, the dangers of piracy are worth the payoff.

I am not saying saying it's good what the pirates are doing nor am I endorsing it. I'm just trying to explain it economically. The only way to end piracy in the long run is for people to have alternatives to piracy.

And if Somalia ever really does decline, this is not an argument against the stateless society anymore than monarchies invading democracies is an argument against democracy. There are arguments against democracy to be sure, but losing a war to a superior invader from a more

established and settled state is not one of them.

The Western US

For me, having some details about how a stateless society would work, and did work, made me a lot more comfortable with emergentism not because I wanted every i dotted and every t crossed but because having real life examples made it solidify in my mind. The chaos of the "Wild West" is largely a hollywood myth. The stateless west was more peaceful than the east because crime and violence wasn't subsidized.

Without a state, how was land claimed and property rights dealt with? New frontier land was technically "owned" by the federal government in the same way god owns the land in a theocracy. The settlers where supposedly trespassers and so had to devise their own way of defining and protecting property rights. This was done through land clubs or claim associations. Each claim association had it's own constitution and laws, specifying what you had to do to own land.

Often it was a combination of claiming and improving the land. One had to go out and put stakes in the ground to show your claim, and then so many improvements had to be built to justify it. This was to prevent speculation, which is one guy registering all the land and have the claim association enforce his claims which he could then sell at a monopoly rate.

Associations had constitutions that one signed onto when registering his claim. The Associations also resolved disputes either through their own courts or through a 3rd party court. Most disputes were resolved by an association court and abided by both parties, with the primary enforcement mechanism being that everyone who signed onto the association agreed to blackball anyone who broke the association's law or failed to abide by an association court ruling, or claim jumpers who didn't even register their land with a claim association. Theoretically the claim association would then use violence if the negative enforcement failed, but this was exceedingly rare, because what would be the point of jumping a claim if everyone around you wouldn't even let you pass through to get to town?

The associations were paid for with a registration fee or subscription fee or a combination, and were prevented from charging monopoly rates or becoming tyrannical states because of competition with other claim associations.

Cattleman associations also formed. As the frontier became more crowded, you started to have problems with cattle-thieves. So ranchers got together to protect themselves from rustlers. They hired expert gunmen as cattle detectives to recover stolen cattle. Other large-scale associations, like the Rocky Mountain Detective Association and the Anti-Horse Thief Association, were loose information providing and coordination services, and rarely provided on-the-spot enforcement of private rules.

So you had a whole private network emerge to stop cattle thieves. Most hired gunmen worked for the legitimate ranchers because they had the most money and could guarantee long-term employment. Some of the individuals did drift in and out of a life of crime and sometimes did form loose criminal associations.

However, these associations did not seem to be encouraged by the market form of peace keeping, and in fact, seemed to be dealt with more quickly and more severely under private property protective associations than under statist organization. You didn't have any real economies of scale that come with trafficking illegal substances, such as drugs or alcohol. And since everyone and his mom and his dog had a gun, you had to be pretty matrix to pull anything off. Most criminal sprees were short-lived.

Mining companies on the frontier had their own laws, constitutions and courts as well. Company

constitutions often specified arrangements for payments to be used for caring for the sick and unfortunate, rules for personal conduct and fines which could be imposed for misconduct. If a dispute over a company court ruling was severe enough, the company would simply divide a single legal district into multiple districts, and so people had a degree of choice in the law they lived under. Moreover, the services of trained lawyers were not welcomed in many of the camps and even forbidden in districts such as the Union Mining District:

"Resolved, that no lawyer be permitted to practice law in this district, under penalty of not more than fifty nor less than twenty lashes, and he forever banished from this district."

The district was the unit of political organization in many regions long after the creation of the state, which was always corrupt and ineffective at settling disputes or providing protection; and delegates from adjoining districts often met in consultation regarding boundaries, or matters of local governance, and reported to their respective constituencies in open-air meeting.

Wagon trains made similar preparations; realizing there would be no state laws, most wagon train settlement companies created their own contracts with clearly defined rules, often with a constitution. This prairie law was formed similar to sea law.

There were laws regarding property rights, chore duty, guard duty, even laws about how the community would be built once the destination was reached. Property rights were paramount. Indeed, it is no exaggeration to say that the emigrants who traveled America's overland trail gave little thought to solving their problems by violence or theft. Some ate the flesh of dead oxen or beef with maggots while surrounded by healthy animals they could have shot.

This is because everyone had a gun, and so enforcement of property rights was much more direct and immediate than in a statist society, which may not protect property rights at all and throw you in jail for taking matters into your own hands.

There were some flare ups such as the Johnson County War in Wyoming, the Regulator-Moderator War in Texas, and the Utah War in Utah.

The Regulator-Moderator Was between 1839 and 1844 and resulted in 18 deaths and given the traditional 3 to 1 ratio in combat we can assume 54 were wounded.

This was a result of "the moderators" issuing phony land deeds and stealing livestock while claiming to be vigilantes. They were opposed by "the regulators", who were just as bad. The "war" eventually devolved into a series of individual and family feuds. Eventually Sam Houston sent in 600 troops to break up the fighting.

Now why did chaos ensue in Texas, but not in the lawless Nebraska territory? Well, there were no claims associations in Texas, there was supposedly statist law, and land was bought from the state of Texas. Because of this, one could forge a land deed. If anyone tried to forge a deed from a clam association, it would be dealt with in their private court. They would go through the records, and see that it was indeed forged, and everyone around would blackball you if you still held onto the land you stole. So the private claim association rendered land worthless to anyone except the registered owner.

This is not the case in a state. If someone forges a deed, you have to take it to the local court, which doesn't have the records, and of course state courts take ages to issue rulings, and of course the enforcement arm of the state may or may not be in your area, whereas private enforcement agencies are typically closer to the fight because they have skin in the game. Also nobody signed a contract with a government saying they would blackball land thieves, and so land thieves could use the land.

So because they didn't adequately address the problem of property rights and instead fell back on the non-answer of "the state", they had a feud which the state responded to 5 years later.

Brigham Young, the Governor of the Utah territory, wanted to make polygamy legal as per Mormon practice. He was able to do so because back east congress had adopted popular sovereignty. Popular sovereignty was used to settle the slavery issue.

Territories would make slavery laws as they saw fit, preventing any additional free or slave states from entering the union. Unfortunately, the popular sovereignty of Utah was pro-polygamy, which the US Federal Government sought to quash. President Buchanan sent 2,500 troops to depose Brigham Young and appoint a new Governor.

Of course the state troops got their nose bloodied in a few battles and retreated.

The troops were probably anti-polygamy, but weren't about to die in the middle of a desert fighting a guerilla war against religious fanatics over it.

The Johnson County war was similar to the Regulator-Moderator war. A group of cattle cooperatives threw together an expedition of 50 men to go to Johnson County to wipe out what they claimed were cattle-rustlers, although there is circumstantial evidence that sheds doubt on this claim. At the time there was a territory government which gave the green light on the campaign. At first some guys in Johnson county appealed to the Territory government for assistance, which they didn't receive until they had the matter in hand.

And so Johnson County was on it's own, and formed it's own militia of about 300 and held up the invaders in a ranch. News of the situation reached the territory government which then telegrammed the Secretary of war who ordered local troops to save the 50 men who were out to kill a bunch of people they claimed were stealing cattle.

The men they claimed were stealing cattle also happened to be competitors. I look at the situation and I say let the Johnson county militia kill the hell out of those guys. The feds came in and saved them from a very well-deserved fate.

Instead of creating associations to protect property and keeping each other in check, the people of Wyoming fell back on the non-answer of the state. And since state officials have no skin in the game, they have very little incentive in actually protecting property rights, and so things like this happen. I can only assume the Wyoming government was bribed by the conglomerate, which is why they only called for federal intervention once the conglomerate forces were in danger.

Pennsylvania

Admiral Sir William Penn had been owed 16,000 pounds by the Crown of England. When he died, his son William Penn inherited this credit. In exchange for a cancellation of the debt, the Crown offered Penn proprietary ownership of the lands west of the Delaware river and north of Maryland in 1661. This land was named Pennsylvania.

Proprietary ownership consisted of the following restrictions on Penn's rule:
- The Privy Council (a board of advisers to the Crown) could veto Penns' actions
- Penn could only rule with the consent of a council of freemen
- The Navigation Acts had to be enforced

The Navigation Acts stated that:
- All ship's crews must be 3/4 English
- Certain products not produced by England (ex. Sugar, Cotton, Tobacco) were to be shipped only to England or other English colonies

The government established by Penn which was laid out in a constitution called "The Frame" consisted of:
- A governor, the proprietor (William Penn or his appointed deputy)
- A 500-member assembly of freemen, representatives elected by land owners in Pennsylvania
- A 72-member council, elected by the land owners
- Precinct judges, appointed by the governor

The Council served as the supreme court and the executive branch and initiated laws. The Assembly could only veto or pass laws initiated by the Council. The Governor had 3 votes in the council, and could veto any legislation. Of course there is always the base reality that the inhabitants of what was called "Pennsylvania", or members of the government itself, could simply not comply.

Penn wanted Pennsylvania to grow rapidly, and so disposed of the land at a quitrent of one shilling per 100 acres per year. A quitrent is like a land tax, except that if not paid the proprietor of the land (in this case William Penn) would issue various duties to the settler. This is a throwback to feudalism. Quitrents were nearly impossible to collect in Pennsylvania, and duties would have been doubly impossible to issue, though at first Penn was more concerned with attracting settlers.

In 1684 there were approximately 8,000 people in Pennsylvania, and by 1689 there were approximately 12,000. They were predominantly Quaker, and the colony allowed for religious freedom for all theists. Only Christians were allowed to hold political office, and later Catholics were barred.

Penn treated the natives very fairly. He made sure to purchase all land from the natives voluntarily, and in the event a conflict between a European and a native, a trial by jury of six natives and six Europeans was established.

In 1683 a duty on liquor and cider, a small general duty on all goods, and an export duty on hides and furs was levied by Penn. In 1684, a group of business men promised to raise 500 pounds for Penn if he agreed to suspend all taxes, which would encourage settlement of the colony. Penn agreed. In the fall of 1684 Penn left for England after hearing news of increased persecution of the Quakers there. He appointed Thomas Lloyd, a Quaker, as president of the council.

In Penn's absence, the council meet very infrequently and nothing was done. The members of the council were entitled a stipend by The Frame, but this could not be collected because the quitrents were not being collected. The members of the council, being private citizens, didn't have time for politics. The same situation existed for the lower judges, who received virtually no oversight from the council and no pay.

A similar situation played out in the assembly, whose members were focused on posturing to gain the ability to initiate legislation, not just ratify or veto it.

Between 1684 and 1688, Pennsylvania had no functioning state, and there was no visible discord.

In February 1687, Penn appointed 5 commissioners to act as governor in his stead, to collect quitrents, enforce the Navigation Acts and the law of the land. In February 1688, the commissioners were mentioned in the minutes of a meeting of the Council.

In September of 1688, Penn appointed the Puritan John Blackwell to impose a state. In December he arrived, but received no welcoming party, and found the Philadelphia courthouse deserted, save for some jeering kids.

Thomas Lloyd was the keeper of the great seal, and if he didn't stamp any documents, they were not considered official. Thus none of Blackwell's appointments were stamped. Other members of the council, however, feared that England might intervene as a result of this open defiance, and all members of the council except Arthur Cook sided with Blackwell.

Blackwell then moved for impeachment proceedings against Lloyd. After dismissing many members of the council who were claiming that William Penn had no right to appoint a deputy governor, the Council refused to meet until they had been granted the authority to approve their own members. In response, Blackwell dissolved the council, and served out the rest of his term doing virtually nothing. Neither quitrents nor state law was imposed.

In 1691, William Penn appointed Thomas Lloyd as deputy Governor. While Lloyd did not collect any of the quitrents or tariffs Penn requested, this did result in a central state existing. That is, there was still a Council and and Assembly which, if they passed tax bills, would be seen as the legitimate law of the land in Pennsylvania.

While there was no state action for most Pennsylvanians, there was still the perception that state action could be legitimate if ratified by the Council and Assembly.

In 1693, as a result of Pennsylvania's unwillingness to raise a militia for war against the French, the colony was seized by the Crown, the Council and Assembly being appointed by New York Governor Benjamin Fletcher. Taxes were levied and collected that year. If the assembly and council had been dissolved, there would have been no existing system to commandeer. Or more appropriately, no story which the governor of New York could insert himself into.

Rhode Island

Rhode Island started off as an area where people fleeing from the heavy-handed puritanism of Massachusetts settled. Many of the puritans referred to the area as "rogue's land".

The first settlement was founded in 1636 by the reverend Roger Williams and was named Providence. The area for the settlement was acquired by purchasing it from the natives. The natives, however, had not improved the land. They had not homesteaded it in any way. By owning land that was not improved in any way, they were behaving like a state. They then either sold or rented land to new settlers who wanted to live in the area. But their "ownership" was a mere claim, a claim which was bought from the natives whose "ownership" was also a mere claim.

In 1638 Anne Hutchinson, at the behest of Williams, led another group of followers to the Island of Aquidneck, which was purchased from the natives just like Providence. They established a settlement named Pocasset, which is modern-day Portsmouth.

One of Anne's major followers William Coddington, had established himself as a dictator of Pocasset, justified by his interpretation of the "word of god". Coddington claimed ownership of all land constituting Pocasset. Apparently this claim was seen as legitimate by the residents of Pocasset.

In 1639, after a campaign for them led by Anne Hutchinson, elections were held in Pocasset over who would be Governor. Anne's husband William Hutchinson won the election, and Coddington and his followers left Pocasset to form a new settlement which was called New Port. A new constitution was put in place which stated that:

1. All male residents were equal before the law
2. Church and State were to be kept separate
3. All residents would have their trials decided by jury

Immediately following the breakup, Coddington and his followers declared war on Pocasset, and following the war the settlements were united with Coddington chosen as governor, though he was agreed to have to obey the new constitution.

Anne then became disillusioned with the state in it's entirety, and became an anti-statist. She viewed the state (which she called "government") as unlawful in it's entirety. She convinced her husband to resign in 1642, which he did, and died that same year. Anne was killed by natives in 1643 after having moved to New York.

Many of Anne's followers carried on her anti-statist views, and formed a Baptist anti-statist movement led by Anne's sister Mrs. Catherine Scott.

In 1642, Samuell Gorton, having been kicked out of Massachusets, Plymouth, Portsmouth and Providence for his extremely libertarian views, led his followers to form the settlement of Shawomet, which is now known as Warwick. Providence was the settlement led by Roger Williams.

Warwick was a stateless society for 5 years, which Gorton described as being peaceful and prosperous. In 1648, Warwick joined the Providence plantation, and was a part of that state.

In 1655, Roger Williams demanded a compulsory military service. In response to this, reverend Thomas Olney led a group of anti-statist Baptists to campaign and circulate petitions opposing the draft as being anti-Christian. The anti-statists openly rebelled, but were put down by the troops Williams commanded. During the election that year Olney was elected as an assistant to Williams.

Williams then moved to bypass home rule of the settlements that made up the Providence Plantation, and levied taxes directly on the population. In response a few more baptist anti-statists protested, Williams hauled them through court and charged them with being "common opposers of all authority." Williams then withdrew the charges, but the anti-statists were cowed and intimidated and the rest is history.

The reason Rhode island eventually collapsed into statism was because of a faulty perception of ownership. It was the belief that a few men "owned" all of the land, because they had bought it from natives whose "ownership" consisted of a mere claim, not having farmed it or having built so many improvements per acre. If these claims of ownership had not been honored by the people moving into these areas, then there would have been no taxes, no armies, and no eventual centralization of power. It was all based on a story, a story called "Roger Williams owns all of this land he has never touched", which could have been ignored from the outset.

Iceland

Iceland was started by tax-evaders seeking to escape King Harald Fairhairs attempt to impose central control and property taxes on all of Norway. Because there wasn't a state, there was no set "start date", Iceland was a frontier land with not structure whatsoever until 930 CE when the althing was established. Iceland adopted a statist mode of organization in 1096 CE, whereupon it collapsed into chaotic statism in 1220 CE and submitted to Norway in 1262 CE.

Iceland had "no king but the law". Every year, about 40 chieftains would meet for two weeks a year to talk about issues and how to deal with them. The Icelanders called this meeting the althing, but is translated by most historians to mean a "parliament". It was very much unlike a parliament today in that bills weren't passed which affected all of Iceland. It was more of a gathering of the chieftains to make deals with each other and sort out whatever needed to be sorted out.

The chieftains were not elected and their power was not maintained by some army. The chieftains

emerged to their positions, they were natural elites. Their power as political governors rested entirely on the voluntary support of each individual being governed. Not a majority, each individual person. It was not mob rule.

Chieftains existed primarily to solve disputes, and appointed judges to do so. They also appointed a few armed men to deal with cases where justice needed to be accelerated. The judges and soldiers who resolved disputes in connection to the chieftain formed the chieftaincy. The chieftaincy can thus be termed most appropriately a "dispute resolution organization".

If any customer of a chieftaincy was unsatisfied in any way, he could subscribe to another chieftaincy, start his own, or live off the grid. Anyone could start their own chieftaincy, all that was required were people willing to subscribe and recognition from the other chieftaincies.

One could also sell their chieftaincy to another man in the same way one can sell a company. However, if the customers of the chieftaincy didn't approve of the new owner, they could subscribe to another chieftaincy, and the judges and guards could quit and sell their services to another chieftaincy as well.

The chieftaincies were non-geographic. That is, you didn't have a border between chieftaincy A and chieftaincy B. This made it almost impossible to wage war since it wasn't clear where the "enemy" was. There were no borders between the chieftaincies anymore than there are borders between Coke and Pepsi.

Also, because members of a chieftaincy could just subscribe to another chieftaincy, as soon as one chieftaincy started building up a large army for war, the customers would see their bills go up and then just leave that chieftaincy. If a chieftain said "I do not allow you to leave! You must pay the war tax and men of a certain age must fight!", and tried to use his armed men to enforce the taxation and conscription, then that would be a perfect opportunity for the other chieftaincies to move right in. And there is no guarantee that the tyrannical chieftains armed men would even listen to the chieftain.

That explains, for lack of a better word, the "political" system of Iceland at the time. Though really there was no political system, and the services of defense and law were provided by individuals making deals with each other and were enforced by each other. There was no ghost, god, goblin or "state" to issue commandments from the clouds.

For the bulk of Icelanders, life centered on work and the accumulation of property. Property - like food, shelter and clothing, and land. Land ownership in Iceland was emergent. That is to say, it emerged from the interaction of individuals. Individuals each agreed who owned what land, and communities formed which agreed to common plots, rights of passage through property (easements), common services, and all of the things which are a part of living and getting along.

People who meet each other face to face and parcel up land together form the first-order cluster. Then when they come into contact with other clusters, they will work out how land is parceled up again.

Typically this results in an agreement that the property arrangements within the clusters will be honored between the clusters as well. That is, person from cluster A will honor the property arrangements of persons in cluster b. This is much more complicated to explain than it is to understand.

If there was a dispute such as grazing, fishing or land rights, that was submitted to the chieftains judge. The chieftains judge's rulings were mostly obeyed because the judge would issue a ruling boycotting the person who was in contempt of the court. That is to say, if someone shirked the judge's ruling, the judge would issue a warrant to the entire relevant community saying not to do

business with this man, and the members of the relevant community would almost always comply.

If the judge issued a ruling that was considered heinous, the community could choose to not boycott, appeal to the chieftain himself, or subscribe to another chieftaincy, or any combination of those things.

Or if a man received a claim by a judge and was unable to collect on the claim and a boycott was impossible, he could sell the claim to a powerful individual who would then be able to enforce it and take the sum awarded by the judge. And remember, said powerful individual's power rests on his men following him, who can desert or offer their services pro-bono to anyone they choose at any time.

But what if a dispute arose between people subscribed to two different chieftaincies? Well because chieftaincies want customers, the chieftaincies that can get along with other chieftaincies are the ones that succeed. And in this sense, a common, Iceland-wide law emerged.

You had standard law in Iceland for the same reason you don't see rectangular credit cards, and for the same reason you have standard shoe sizes, soda sizes, rail gauges, and even time zones (it was the rail companies that agreed upon the time zones, not congress). Standardization just makes doing things easier, and given the "disutility of labor", a fancy way of saying that people don't like to work, people will tend to standardize in things where they are dealing with other people.

And so during each year the Icelandic parliament had the law of the land recited, and amendments were made as needed and agreed upon. If a chieftain didn't agree, then he could apply a different law and be compatible with the other chieftaincies to the extent that those other chieftaincies were still willing to accommodate him.

Iceland was known as a land of constant feuding. This is because, without a state, chieftains couldn't conscript massive numbers of unwilling men, and so quarrels were settled between the quarrelers themselves. This is in contrast with most of Europe at that time where disputes between kings where settled by men dying for them with oaths of fealty and holy pomp and regalia in a manner best described as gang-like and psychotic.

Unfortunately, Iceland did eventually break down. In the late 900's and early 1000's, King Olaf of Norway sent Christian militants to Iceland to intimidate Icelanders to become Christian. Icelanders who were related to chieftains who visited Norway were often held as ransom, the ransom being that the chieftain had to convert to Christianity if he wanted his loved ones to return.

In 1000 CE, Iceland was split between the Christians and the pagans, with the Christians wanting to make their faith compulsory and the pagans advocating religious pluralism. But instead of war, Iceland settled on an appeal to the most respected member of Icelandic society, Chieftain Throgeirr Thorkelsson, who sided with the Christians, and that was that.

The reader may be puzzled as to how a society on the verge of civil war could end the conflict with a simple arbitration. The culture of due process, law and conflict avoidance was so ingrained in Iceland that many Icelanders would have a trial to get the ghosts out of haunted houses.

At the trial, it would be ruled that the ghosts were trespassing, and apparently the ghosts promptly left after receiving the verdict (?). The psychology of persons who lived their entire lives in an ordered and structured stateless society is radically different than that of persons living in the chaos of state "order".

In 1096, the churches all throughout Iceland issued a tithe at the behest of bishop Gissur

Isleifsson. He placated the Icelandic populace by assuring them that those who were willing to pay one-tenth of god's gifts receive a commensurate share in heaven.

The tithe was a 1% property tax. The first real tax in the history of Iceland. Moreover, the church tithe was geographically based, and so a person couldn't just subscribe to a new church. The church and the right to tithe the people in the area around it (until it bumped against another church's tithing zone) was called a church stead.

Given the difficulty of moving into the area of a church that didn't tithe, this gave the chieftains (who typically owned the church in some manner) their first real power base. Beforehand they were dependent on trade with their customers, their services for their money or agricultural products.

But with the introduction of the tithe, the chieftain had a steady source of income that he could use to spend on whatever he wanted. Before, if he spent his income on things like an army or personal luxuries, he would be less competitive in selling his dispute resolution services and could go out of business.

Now the chieftains had no accountability (except the hazy prospect of revolution). What's more is that by tying the chieftaincies to geography, it became impossible for a new chieftaincy to emerge, and so the chieftaincies could raise the tithes together.

And so with this steady stream of income-for-nothing (tithing aka taxation) over a given geographic area, the chieftains could finally build up armies and wage wars. This still took a very long time, 124 years until war broke out between chieftaincies with their tithe-supported armies. Between 1230 and 1264 intermittent war raged across Iceland and wealth became much more concentrated than ever before. As many people died during this time on a per-capita basis as die from murder or manslaughter in the United States today, that's how bad it was.

The situation was exacerbated by King Haakon of Norway doing all he could to stir up trouble, and sending money to chieftains on the losing side of a conflict in order to prolong it.
In 1262, after several years of agonized discussion, the people of Iceland held public meetings throughout the land and eventually agreed to let Haakon take over. In 1264 Iceland was effectively under Norwegian rule.

The lesson here, which is the same lesson that can be culled from other stateless societies, is that the Icelanders didn't have a theory of statelessness. They were living in a stateless society, and glorious it was especially given the natural resources of Iceland, but they weren't anti-statists. They didn't understand why their system worked so well, through the infinite fallback and negative feedback mechanisms that are inherent in human interaction.

Without understanding this, it is inevitable that a stateless society will stumble into state rule. For a stateless society to be maintained, it must have a widely accepted theory of stateless order.
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Ireland

It is very tempting to write off the entire explanation of stateless Ireland (~650 CE to ~1650 CE) with "it was basically Iceland with different agreed upon laws". That said, stateless Ireland was basically Iceland with different agreed upon laws and a different way of administering those laws.

Like Iceland, protection was provided by non-geographic voluntary agencies. In Ireland they were called "tuatha", and functioned much like the chieftaincy in Iceland. Any person could start a tuath, all he needed was people willing to pay money to subscribe to his tuath, but unlike medieval Iceland, the leader of the voluntary political unit did not appoint the judges.

The only functions a "king" of a tuath had was to preside over the annual assembly, to serve as high priest, and lead the tuath in war (which was very rare in ancient Ireland). He did not decide upon the laws for members of the tuath, and he could not declare war without the tuath assembly's approval, though he did act as head diplomat.

When the king died, the next king was elected from within the family of the king. If there was no male heir, the tuatha was disbanded, and then most likely another highly respected man would form a "new" tuatha with the same members, rituals, and subscription fee and he would become king.

The assembly was made up of freemen, that is the landholding class. Those who didn't own land but lived as tenants on a freeman's land did not participate in the assembly. A good way to think about the tuath would be as homeowner's association / church branch / defense organization. If any member of the tuath found the land rules, subscription fee or anything unsatisfactory, he could join another tuath or form his own to the extent that he was able to.

This threat of unlimited secession prevented any tyrannies of the majority from forming. Tenants of freemen could also join other tuatha, and you could have the tenant of a freeman who lived under a different tuath, and this prevented the freemen from using their presence in the assembly to exploit the tenants.

The reason each tuath functioned like any other tuath in Ireland, was that the tuath itself was justified by and subject to the common law of all Ireland, called Brehon Law.

Brehon law, like the common law in England and Iceland, is simply a product of the interactions of people, it's just what emerged. Because disputes arose, and people needed to resolve them, all throughout Ireland people came up with rules within their local community - the people they know face to face, a.k.a. the first order cluster.

Then when members of different first order clusters met with each other, they would learn of each other's laws and most often the laws would be similar, and the differences would be either be respected or the laws would be harmonized (in a not necessarily harmonious way). Eventually the common law emerged.

In this environment, certain men became very proficient in law, men who understood the intricacies and could identify when someone was invoking common law inappropriately. These men became known for their knowledge of common law and for their fair application of it, and eventually were called Brehons. The Brehon didn't create the law as much as he discovered it. Brehons were not appointed, they didn't go to a university and graduate, Brehons simply emerged, and one could become known as a Brehon if he was known for having a thorough understanding of Brehon law and was known for issuing fair rulings as a judge, and people were

willing to pay for your arbitration.

Whenever anyone had a dispute, he would submit to the judication of a well-known and respected Brehon. The Brehon would issue a ruling, and the loser of the ruling could either pay the entire settlement, part of it, or none. If he chose to pay part of it or none, then his tuath, either through an assembly or the king himself could outlaw him (which means no longer protect him and he would have no legal rights under brehon law).

If the tuath in general found a ruling by a brehon to be heinous, then the tuath may decide not to outlaw the defendant and obviously no longer consider the brehon who issued said heinous ruling a brehon.

If the tuath decided to outlaw a man for shirking a brehon's ruling, then that man, in theory, could subscribe to another tuath if that tuath would accept him. Brehons could also decide if a ruling by another brehon was just, and so this man who received what he feels is an unjust ruling could still receive legal protection from any brehon who agreed with him. This is the infinite fallback of free human interaction.

The Irish brehon law sought to prevent conflicts from arising by allowing for insurance agreements called sureties. For example, two freemen who owned property could agree to a surety that if either one of them trespassed on the other's property, they would have to pay a fine to the property owner. Usually violations of sureties resulted in the violating party simply paying the agreed upon fine and moving on, but if there was a dispute, then they would appeal to a brehon.

The fine for a given surety could not exceed an individual's honor-price. The honor-price of an individual was related to his wealth, and a man could not enter into a contract in which he could not honor the fine for a breach of contract. This meant he couldn't receive loans greater than his honor price. I am not sure how a man's honor price was determined, and I can only assume it was the amount of income he could produce over a given period of time.

If a man entered a valid contract (this includes loans), in which the fine for violating the contract (or defaulting on the loan) was lower than his honor price, yet for whatever reason he was unable to pay the fine / loan, then he became a debtor to the other party who became a creditor. The creditor could then seize the assets (usually the farm) of the debtor, and the debtor would be a tenant of the creditor until he had paid back the loan or fine, at which point his status as a freeman was restored. Or the debtor could sell his assets to anyone to pay off the fine / loan, including the creditor himself.

"Wars" of a European sense did not occur in Ireland. Because kings could not tax or conscript, all participants in any war would have chosen to do so, and typically only the affected parties of a dispute would be willing to risk their lives to settle it. And so instead of wars as we know them, Ireland had feuds or brawls numbering in the tens, not thousands.

Englishmen and many historians characterized Ireland at this time to be barbaric. They point to the fact that Ireland had no final arbiter of law, no king as they had defined it, and no coin of the realm. The first issue has been dealt with at length, and the reason Ireland had no coin of the realm was because there were no legal tender laws. The reason other areas had coins with a set value and some royal seal printed on it, was because the king had commanded that that coin be used and as required to be accepted by merchants. The value of the coin was set above its value in metal content by royal decree. This way, the king could buy gold, melt it and pour it into a mold, and use one ounce of royal coinage to buy 2 ounces of gold with which to make more coinage, etc.

That Ireland didn't have to put up with this violently enforced nonsense is not a sign of barbarism but of a level of civility the rest of the world would do well to emulate (drunkenness and Irish

roses be damned).

And it wasn't like the people of Ireland lacked the knowledge of the rest of Europe, or that they lacked the knowhow to make coins. There is plenty of evidence that the Irish at this time were certainly as well off, as scholarly and as technologically advanced as the rest of Europe, if not more so. The Irish people have also garnered far greater attention and significance than their number would suggest. Throughout the years 650 to 1650, Ireland had a population ranging from 450,000 to 960,000, compared to England and France's populations of 7 and 18 million in 1300.

Conflicts that could be appropriately called wars in Ireland during this time are most easily found during the Viking, Norman and English invasions.

By the 840's Vikings had begun raiding Ireland and England. In 839, Thorgest attempted to establish a kingdom in Ireland, but found it difficult to do so due to the lack of any central political authority in Ireland that could be conquered. His kingdom lasted from 839 to 845, at which point he was assassinated by Mel Sechnaill, who then led his tuath's army to victory over a Norse army attempting to reclaim the kingdom in 848.

In 852, Olaf the White (son of the Norwegian king at the time) and Ivar Beinlaus established a kingdom in and around Dublin bay. By 902 it was abandoned. Various other Viking big shots attempted to carve out kingdoms in Ireland, all with little success.

In 1002 Brian Boru, a king of the tuath of Thomond, was able to rally enough support throughout Ireland to be recognized as the high king of Ireland. As such, he was able to raise an army and defeated a Viking army at the Battle of Clontarf in 1014, which ended the Viking kingdoms in Ireland. After the victory, Boru's descendents were unable to maintain a unified throne and most of Ireland went on as usual.

While Ireland was nominally divided into outright compulsory kingdoms, these states were unable to exert much real control outside of their capitols. The Viking invasion illustrated the difficulty of conquering a stateless society, but also illustrated how war leads to the expansion of the state. While Ireland following the battle of Clontarf was still mostly stateless, the seeds of statism had been planted.

In 1167, a Norman army from Wales invaded Ireland, which was defeated and the leader had to pay a ransom. In 1169, another Norman invasion was more successful and captured the cities of Leinster, Waterford and Dublin. By 1300 most of Ireland was nominally under Norman rule, though in fact their rule extended only to the capitols, and most Irishmen continued to live by the brehon law.

Over the next 200 years, the effect of assimilation and the visible ineffectualness of Norman law in Ireland resulted in the already limited Norman influence to be eroded. In 1531 Normans had officially gone native when the Lord Deputy of Ireland, Thomas Fitzgerald, began conspiring with the Yorkists to overthrow King Henry VII. In response, Henry had Fitzgerald killed and began a systematic colonization and establishment of real political control over Ireland.

It was found that actually securing control was far more difficult than securing the lord's pledges, and it wasn't until 1603 that King James I of England could establish nominal control over all of Ireland through a series of attempts at conquests, colonization and deals with local tuaths and the nominal kings that had been there since 1014.

It wasn't until Cromwell's brutal conquest of Ireland from 1649 to 1653 that gave Englishmen the majority of the land in Ireland that it could be said that Ireland was truly conquered by England. Cromwell had to kill over 15,000 Irish rebels and 200,000 Irish civilians of a country with only around 1,500,000 people total, or about 14% of Ireland's total population. In comparison,

Germany lost about 13% of its population during World War 2.

Britain's conquest of Ireland, which over the course of the conquest never had a population of over 1.5 million and was separated by 21 miles of ocean, took 484 years.

In contrast, the East India Company, a British sponsored venture, was able to conquer India in 240 years (1617 to 1857), and England was able to conquer areas of France far more populous than Ireland many times during the hundred years war.

Ireland is a testament to the effectiveness of emergent defense. Ireland's defense was not characterized by fielding large armies and submitting to rule after a psychotic and murderous game of capture the flag. It was characterized by non-compliance and literally forcing the invader to go house to house and collect taxes person by person. Stateless Ireland not only showed how effective a stateless legal order is, but also how difficult it is to conquer people who simply will not submit to being ruled, and who do not slump their shoulders and acquiesce once their flag has been captured and signatures exchanged.

When Napoleon invaded Russia, he had assumed that once he "captured the capitol", he would "rule Russia". But upon arriving in a deserted Moscow, the base reality of the situation set in. All that was there were a collection of buildings, streets; sewers, etc. collectively called "Moscow", and standing in those streets were a bunch of men with muskets collectively called "the French Army".

What is conquest? When a soldier passes through a town, is he said to have "conquered" it? Only when a population believes in the legitimacy of a state can it be said to be truly conquered. Ireland was able to stand against overwhelming force for nearly half a millennia because Irishmen saw through the empty pomp of the state. If Europeans had half the backbone that the Irish had, there would be no states today.

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Emergent Law

Law in the stateless society is something brought up a lot. It's really not a very complicated issue. Rules and the enforcement of rules both predate and still operate independent of state "law".

So how would free market courts work? Lets say two people have a dispute. They can't resolve it and so they submit their dispute to an arbiter that they both agreed on. Probably a dispute

resolution agency with a reputation of impartiality. It could even be a religious agency.

Now there is not necessarily any force behind the ruling, but there could be. But for now lets assume it's just a commercial dispute and there is no force behind the ruling. The court rules that person A owes person B 2 oz. of silver for violating a contract.

In this situation, person A has two choices. He can either abide by the ruling and pay the 2 oz., or he can ignore the ruling. If he ignores the ruling, he will pay a price in terms of reputation: credit score, crime report, and / or personal reputation generally.

Before one so casually laughs this out of hand, keep in mind that eBay keeps sellers honest with seller ratings, and according to the Internet Fraud Complaint Center less than 1 percent of auctions result in fraud. And that's with internet sales.

Also the reason people pay off small debts is not to prevent going to court and facing the guns of the state, but to prevent a drop in credit score. And if you work in say the airline industry, and don't honor a contract with another company, well then there's always the possibility of being blackballed. You can be fired, and then when looking for a new job the new employer will want to see your employment history.

Also 14% of the free market is underground, which is called the "grey market" and the "black market". The grey market is the selling of legal goods without reporting the sales and thus not paying taxes on them or having them "regulated", and the black market is the sale of goods deemed "illegal".

As of this writing, the state comprises 30% of all economic activity in the area called "The United States of America", which means about 10% of all economic activity in "the US" is under the table.

When you go underground, you have given up access to police and the law courts, and access to private credit reports and private arbitration. This is because if you started to have publicly available credit reports for the underground economy, the cops would be all over that activity instantly.

By entering the underground economy, one has also chosen to take on the risk of being caught by agents of the state and being thrown into prison.

Despite this risk and hobbling of the underground economy, 10% of "Americans" choose to go underground. That is how worthless state "law" is.

And it makes sense given how dysfunctional the united states legal system is. I'm not about to flesh out why, there are plenty who can give line and verse on just how crappy the legal system is and it has just become common knowledge.

Nobody defends the state courts today as being efficient; they just say that without the state courts things would be even worse. And those who propose a free market solution are often chided for not being able to explain with apodictic certainty what will emerge from the impossibly complex web of interactions that is the free market.

But of course this is an argument AGAINST central planning and against the state's monopoly on the provision of "justice".

When mail delivery was a state monopoly and funded through taxation, many figured that without such an arrangement there would be no mail delivery. Or that private "mail delivery firms" would charge exorbitant rates, would cartelize, would prevent the poor from being able to send letters,

would develop local monopolies, would raise rates on time-sensitive goods (like a life-saving piece of medical equipment) and on and on.

And of course I cannot explain how private mail delivery works, even less so would I have been able to explain how it would work had I lived in the days when mail was a state monopoly.

Except for some basic principles of how it would work and a theoretical model of a private mail delivery firm. Which is kinda what I'm doing now with other state monopolies.

The violent imposition of private law is another issue, which is more theoretical in a modern society since state law has a true monopoly in this area. That is rape, assault and murder never fall under the purview of private arbitration.

One can look to how things were done in stateless societies in the past: the western US territories, Ireland and Iceland, though I am less sure about the legalistic peculiarities of the stateless colonies Pennsylvania and Rhode Island.

Murder was typically dealt with in kind. Rape and assault were dealt with severe punishments that the criminal was forced to endure at the point of a gun. So in a sense you could say the committing of a violent crime led to an ideological-marginal state in relation to the criminal.

That is the criminal wouldn't be free from the violent imposition of the law court's ruling by moving to another area (global marginal state), which was supported by the relevant population (ideological state). Though this is not really a state in the way most would conceptualize it, more like a criminal on the run from those who he wronged. And it does not lead to a state.

For violent crime, this is how my theoretical private justice firm would operate:

Murder: the victim's closest acquaintance, determined by the court, will determine the fate of the murderer within some parameters. I'm thinking a life of forced labor would be appropriate, as would the death penalty, though prolonged torture would not be a choice according to my ideal private court. This may include significant life-long financial restitution to the victim's closest acquaintance or to a fund determined by the victim's will.

Rape: The victim, or if the victim is not in a condition of mind appropriate to make a proper determination, then the victim's closest acquaintance (chosen by the court) will determine the fate of the rapist within some parameters. Similar to murder, except with narrower parameters.

Assault: Similar to rape, except with narrower parameters.

There are many who have gone into much greater detail on these matters.

Rules and the enforcement of rules, typically with negative enforcement for commercial offenses and positive enforcement for violent offenses, predate the state, are in many cases dealt with privately within states, and have existed in stateless societies surrounded by states. And given the speed with which information currently spreads, there is little reason to believe law cannot be dealt with today by private firms.

And these private firms can be the pure private "capitalist" law, or a communitarian law firm that is the result of homeowner's association forming into a voluntary township.

I am not talking about the current “private arbitration” services today. The current "private arbitration" services are nothing of the sort. The rulings of private arbitration services are enforced by the state, they have nothing to do with the free market except as a nominalisation. They are star chambers created by the political class. They are "private" in the same way the

federal reserve is "private".

Stateless War

The fact that the resistance of stateless armies has proven very effective against statist armies throughout history is an argument that simultaneously bolsters the apparent feasibility of a stateless society, yet also apparently smashes the "against me" argument against a state.

When a free market army engages in conflict with a statist army, it is called "guerrilla warfare". In Iraq, the veracity of this form of defense is given a clear comparison to a statist defense. The Iraqi statist army, having an annual budget of $1.3 billion in 2002, lasted ostensibly for 41 days against the NATO statist armies, though effectively only lasted for 20 days, and even that was prolonged by a sandstorm and the outcome was never in question.

The resources poured into the Iraqi statist army was not only significantly higher than the budget of the current guerrilla forces, but left the free market with less to work with once the state solution inevitably failed. Working with the table scraps of abandoned material from the Iraqi statist army, US war materials, and whatever weapons can be smuggled in from Syria and other states, the free market defense has not only been far more effective, but may actually outlast the US army which not only has a base budget of $481 billion, but which has an additional $218 billion devoted to campaigns in The War Against Terror (TWAT). If the free market resistance in Iraq defeats the US statist army, it would suggest that the free market is thousands of times more efficient in military operations than a state.

Other examples of free market "guerrilla" armies running circles around their pedigreed counterparts are and were seen in Afghanistan, Vietnam, Ireland when Britain spent hundreds of years trying to conquer it, the US gov't's colossal failure to collect the taxation on distilled spirits and carriages in 1794 (they put down the whisky rebellion but couldn't collect the tax nationwide), etc. The list of guerrilla wars all throughout history is long.

A guerrilla war occurs when the state solution for defense fails catastrophically but there is still a demand for defense against the invader. In response to this demand, the free market creates private defense organizations which resist.

And, as one would expect, the free market solution is far more efficient and is able to fight wars, and indeed does fight wars, effectively against technically superior statist opponents. Idiots, such as US Army Generals, will call this "asymmetric warfare", when really it is "a rational response to the insanity of massed armies".

Calling guerrilla warfare "asymmetric warfare" is like calling private schooling "asymmetric education" or "guerrilla education". The success of guerrilla armies against technically superior state armies is an indictment against statist defense, of which the US department of defense advocates.

It is a bit unfair to expect members of a gang such as the US Army, Marines, Navy or Air Force to think rationally about such matters, since questioning is literally beat out of the gang's members, even the officer corps. Various oaths, rituals (marching), gang symbols (eagles, crosses, tattoos, uniform clothing and hairstyles) also serve to reinforce a model of the world at odds with reality.

Reality being that the US Army, with depleted uranium tanks and satellite bombs is getting bled dry by a bunch of fundamentalist rednecks. The irony is that this failure is caused by going against the free market which they purport to be defending.

But this creates an apparent problem for the anti-statist: If private armies are so effective, then how can states ever emerge at all? If states truly are not the product of a social contract, then

how can a state ever come to be? A new state, ceteris paribus, would be like the US Army trying to maintain the occupation of Iraq with the funds it extracted from the Iraqis themselves. Surely an impossible task!

And so the success of free market armies on the one hand demolishes the myth of states providing effective defense, while on the other they seem to demolish the argument that states are imposed. Because if states cannot govern people by force alone, as guerrilla wars suggest, then it must be by consent!

Stateless Ireland and Iceland worked peacefully for very long periods of time (Ireland was ended by Britain, Iceland by Christianity) because of the common law, which was understood and accepted, that is it was a part of the intersubjective consensus.

People not subscribed to the same law/police/defense agency could interact with each other just fine because they all agreed to respect each other's arrangements. Which is to say tolerance of other arrangements was a part of everyone's intersubjective consensus.

This is why the mild west was so mild. Upon embarking into the more or less "lawless" territories, settlers knew what they were getting into, and knew they had to define property rights and the law. And so they delineated ownership in the way ownership always comes about on a free market: homesteading. And so the stateless west saw property law syllogistically superior to that of the statist east, which in all likelihood also contributed to their lower per capita homicide rate.

However, whenever the US government took hold in an area, there was no opposition, there was no guerrilla war. And from what little evidence we have, homicide rates typically increased when state law was imposed on an area and the emergent legal systems disbanded. And what other explanation could there be than that eventual US governance was a part of the intersubjective consensus in the stateless west in a way it simply is not in Iraq?

That is, even though the stateless west was in fact stateless, the inhabitants did not oppose the United States Federal Government on principle.

In Iraq, the Iraqi Governing Council was not a part of the intersubjective consensus (at first), whereas the Pennsylvania Governing Council was. The same Schelling point, common law, emergent order, zeitgeist, ethos, intersubjective consensus or whatever you want to call it that says we own the clothes on our body and the money in our pocket is the same consensus that says a state is legitimate.

That is why the US Government can govern the US but not Iraq - except by spending more on the war than Iraq's GDP. And the funds for these occupations can only be acquired from a large population of people who believe in the state, as the state cannot be sustained by force alone.

The Collapsed State

The chaos of a collapsed state is not proof that you need a state.

When settlers went into the Western United States, they knew what they were getting into. There would be no state, so they had to make proper arrangements, with police, law, and how land ownership was to be delineated. The result was that the territories had lower homicides per capita than the incorporated states.

In mining towns, people realized that there would be no state monopoly on law, and so they would have to make the proper arrangements. And in fact, right up to the incorporation of California, many mining towns forbade state law and would bar lawyers or state police from entering the mining towns because state law was known to be so arbitrary, unfair, and

burdensome to comply with the rulings.

Medieval Iceland and Ireland had the same situation. Quaker Pennsylvania too. Early America is littered with examples of areas with little or nominal state presence, and much of the "American Spirit" was a description of this emergent law. People went into America knowing they had to order themselves, and they did, and it was great.

But when you have a population that has existed under a state, and has planned their affairs under the assumption that there would be a state and this state would have, while not static, an approximately steady form, this population will be jolted when that state has removed. And the result is anarchy in the pejorative.

Somalia is a great example of this. In rural Somalia, where the population is largely nomadic or agricultural, the fall of the central state was a net benefit. This population hadn't arranged their affairs around the assumption of a state to maintain law and order, and so when the state was gone, well that just meant less taxes and less occasional harassment. The urban population, however, did not fare so well, as they had grown dependent on state police, law, and many things that I won't even pretend to know the intricacies of.

In 1919, when the Boston police went on strike, the result was chaos. This is not evidence that state police are necessary. In fact, it was the state monopoly on police protection that made the strike so effective. And when the police stuck, people didn't have time to make arrangements for private police protection. Society was unable to emerge.

If you build a ship around the assumption that you need a central beam, once that ship is built, if that beam is removed, the ship will sink. Now a young pioneer may say, "Hey, I can build a ship without that central beam but with ribbings along the side. This ship will be faster, stronger at most angles, and will have more cargo space." Would the skeptic then rip out the central beams of already existing ships to test the feasibility of this plan? No.

And removing the state from pre-existing societies will result in chaos.

The problem is that that beam is looking pretty ragged.

Economy

Emotional Economics

Before even starting on economics, I know that a person who thinks in terms of “exploitation” and “power relations” is going to disagree with me in mid-stream of thought.

If you do think in these terms and view the world through the prism of “class struggle”, please suspend those suppositions, as I have found that they are mostly presuppositions which are then given some systematic justification.

If you use any of these words in a pejorative manner a lot:

evil, rulers, hierarchy, rights, justice, theft, greedy, violent, exploitation, morality, capitalism, racism, sexism, wage slavery, oppressed (or oppression), fair (or fairness), authoritarian, voluntary,

that is a sign that you are using a lot of emotional appeals and appeals to morality.

There is no such thing as morality, evil or rights, and what is fair, greedy or just is a matter of opinion. Hierarchy and exploitation are descriptive terms, there is no necessary reason why one

would oppose being exploited if he feels he is duly compensated, and to oppose hierarchy is just stupid.

If you oppose leadership and emergent authorities, then you are opposed to all that is functional. If you have a non-standard definition of hierarchy, then you are taking advantage of the emotional opposition that people have to being low on a hierarchy – even if they deserve it – instead of using the more clear, standard definition of hierarchy.

Prices and Wages

Firms cannot charge whatever they want for the price of goods, and cannot pay workers whatever they want. The wage between an employer and an employee is negotiated.

As something gets more expensive, more people are willing to produce and sell it. This is because people who sell things want to make money. This is why you will often hear people say, "Hey, you should be an air-conditioner repairman, I hear they're making a lot of money!".

As the price of something goes down, people want to buy more of it. For example, have you ever been at a supermarket and see something on sale for really cheap and you want to buy it just because it's so cheap? That's what happens with demand. As the price goes down, the more quantity people are willing to buy.

This is the opposite of supply. For supply, the lower the price, the less people are willing to sell.

Everyone wants to sell high and buy low.

The sellers and buyers eventually agree upon a price. This is why a loaf of bread at the supermarket doesn't cost $100. The supermarket would love to be able to sell loaves of bread for $100 each, but if they tried to, they wouldn't sell any bread. Would you buy a loaf of bread for $100? No. And if one supermarket tried to sell for $100, everyone who wanted to buy bread would just go to another supermarket. This is why competition is so important.

Wages work the same way. In this case, the worker is actually selling himself. So in the case of labor, the worker is the supply and the employer is the demand. And the employer and the employee negotiate a wage. This is how wages come about.

If the employer decides to pay 1 cent an hour, nobody will work for him. If the employee demands to work for $1,000 an hour, and lets just assume this is the average slob with a high school diploma, then he won't get hired by anyone. And so the employer and the employee, through negotiation, agree on a going wage. And on a free market, both parties must agree. There is nothing nefarious about this.

What happens when you put a minimum wage? It's very simple, less people get employed. Sure, the average wage will rise, but less people will be earning wages. Because a minimum wage is saying that it is illegal to work for less than a certain wage. So if you want to work for $3 an hour, that is illegal. Maybe you do want to work for $3 just to get work experience so that you can get promoted and move up the ladder. With a minimum wage, that is illegal and your employer could get thrown into prison for that.

This does not immediately lead to lower employment levels, because firms have an entire capital structure built up. So if a minimum wage law is passed, it may make more sense for a firm to just pay the higher wages than have to restructure.

However, this does lead to some restructuring but more importantly new firms or industries will take the minimum wage into account and not hire so many workers.

Now for very skilled workers, like a doctor, the going rate is higher than for say some college kid. And so the doctor will be able to negotiate a higher wage than a college kid.

And by negotiate, I don't even mean that the employer and employee will haggle personally, just that the employee will look through all of the classifieds and seek out the best deal.

Also, the notion that we can "raise all wages" is nonsense. Money represents stuff. There is only so much stuff being produced. If all wages are raised, that doesn't mean there will be more stuff, it just means there will be more money. And the result is that stuff will get more expensive.

Loans and Interest

A lender will make a loan to someone if he believes he can get the loan paid back plus some interest. This is because there is a possibility that the loan will not be paid back. And so the lender is asking for interest as hedge against this risk.

Because there are always people will default on loans, a lender, typically a lending institution, charges interest to make up for the loans that don't repay. If the lender charges too low, he will end up making too many loans, and the money lost on defaults will be greater than the money gained on interest.

If he charges too high, he will not be able to make any loans. This is because the person seeking a loan can choose between different lenders and will choose the lower interest rate. Thus the lenders are in competition with each other.

If there is a person who can make a living by lending money to others, that means that he is providing a service to society. He is able to calculate the structure of production. By being able to make a living on lending, he has proven himself capable of figuring out what society wants, and funding those ventures that satisfy the demands of society.

At least that is what would happen on a healthy, functioning free market. On a free market, making money means you are helping society, and society is rewarding you with profits, which is the net value you have provided to society minus consumer surplus. That is not always true today, but state intervention is something to be discussed at it's own length.

The Structure of Production

Things only get produced when there are people willing to provide resources for that which is being produced. The hunter is willing to spend time and energy making a weapon, because he can get more food with that weapon.

In a pack of humans, one person may become especially proficient at making weaponry, and the other hunters become willing to give him some extra food for the high quality weapons he makes (his capital).

In this situation, the weapon-maker is making a trade. But lets say the weapon-maker rents his weapons to the other hunters, and the hunters must give the weapon-maker food at some prescribed rate. Perhaps a percentage of the kill or a fixed amount. If this occurs, the weapon-maker is behaving like the capitalist, and the weapons similar to the factory, and the hunters like the wage-laborers.

If the weapon-maker fails to produce a weapon that works, that is a weapon that comports to the demands of reality, he will fail to get food and will probably try again until he comes up with a weapon that does work.

Similarly a man can only keep open a restaurant if there are people who demand his food and exchange resources (in the form of money) for it. If they don't demand his food, he won't be able to keep his restaurant open and will have to try something else to make a living, satisfying some other demand of reality. Perhaps working in a factory.

For a firm to be successful, it must satisfy some demand of reality, in the same way roots of a plant must satisfy the demands of reality. Businesses grow to the money, and roots grow to the nutrients.

Businesses do not provide goods and services out of any altruistic zeal; they do so out of self-interest. They want your money.

If they are unable to produce something that people want, they will not get money from people. This is how companies are regulated.

Companies that take raw materials and turn them into finished goods are paying for those raw materials, and if the finished goods cannot be sold for more than the cost of those raw materials and the cost of turning those raw materials into finished goods, the company will not profit. This is a signal that says, "Stop making that! The resources put into making that product are worth more than the product itself!". These signals are extremely important. Without prices, profits and losses there would be no way for the company to know if the value of the product they are making and selling is worth more or less than the resources put into it (because value is subjective).

For example, if it cost $100 to get the materials needed to make a paper jackhammer, and it costs $10 to turn the materials into the paper jackhammer, then it costs $110 to make a paper jackhammer. If people are only willing to buy a paper jackhammer for $50, then the paper jackhammer is unprofitable. This is society's way of saying, “we value raw paper more than the paper jackhammer. And the $60 loss you make on each paper jackhammer is your punishment for wasting the resources of others.”

However, having prices, profits and losses are not something to be decided upon. They are something that just happens when humans interact with scarce resources. Different people are good at doing different things, so one person makes furniture, the other chops down trees, the other farms grain, the other farms cows, in an indescribably complex arrangement, or structure of production.

In a free market, the only thing that is produced is that which can be exchanged for something else. If a person likes carving ducks, he may be able to exchange it for enough resources to live on, or he may be forced to carve ducks merely as a hobby, in which case he is the person providing resources to enable his own duck-carving hobby. He is exchanging resources for duck-carving (materials and labor) for his own psychic benefit.

And this structure of production, regulated by prices, profits and losses, emerges from human action. This emergent order prevents people from wasting resources producing massive amounts of crap that nobody wants without being punished in some way.

But ONLY if there is private property in some form, based on some intersubjective consensus of ownership. If an individual doesn't own that which he produces, he does not get rewarded or punished for making stuff people want or making crap.

When you stick your hand on something hot, you feel pain. This pain results in you pulling your hand away from what is hot, or makes it such an ordeal that you will only burn yourself if you absolutely have to (ex. saving a life).

Similarly, giving up resources for the destitute results in one not having those resources, a slight pain. However, one may choose to do so to achieve some internal reward or to be known as a generous man in the community.

These choices are calibrated and ensure the distribution of resources in accordance with subjective value.

And this includes individuals choosing to only patronize firms which donate a percentage of their profits to "nobler causes", or sacrifice profits for environmental considerations. And this may be a result of individuals wanting to be seen as only shopping at such places that protect the environment or donate profits to the poor, and be known as a generous person because of it, which I think is great. This desire to be known throughout the community as a generous person is not something to be derided, but something to be supported. This desire, or even greed you might say, to be known as a generous person leads to generosity. And so one should support greed in this regard.

It is elegant and relatively simple how a free market operates. All of the supposed knots can be shown to be spooks in a few paragraphs and the origins of arguments against the free market are typically some big business wanting shelter from the constant deluge of competing firms that spring up.

Unfortunately statist arguments rest on each other so if you show how competition keeps business honest, some dunce will claim that competition crushes wages and / or results in not having enough slack in the system.

Some statists like to claim that competition results in firms not having enough surplus profit, or spare cash in the safe, to deal with certain eventualities, and thus firms are brittle. That there's not enough "slack in the system" and that it is "overoptimized". This is an error of high abstraction, and so to show it is fallacious we most go down a level.

Firms are able to acquire resources by providing something people want. Forget about money. If there is some natural disaster that hits a shoe store, then shoe-store production will recover to the extent that people are still willing to buy shoes from a shoe store in the location of the original shoe store.

If this shoe store, as a result of competition, didn't have enough margin to rebuild on their own dime, then they could get a loan from some lender, probably a bank. If the shoe store had been profitable, even if only slightly so, a loan would not be difficult to secure, especially since it would be a fairly assured investment as the business was already established. The habits of the relevant population were already established in favor of that shoe store in that location.

The argument that severe competition depresses wages on a free market is fallacious. The argument is that firms lower the cost of goods, thus lowering profit, and thus must lower wages in a "race to the bottom". Did you already see it? Lowering the cost of goods. Prices do tend to fall on a free market, and nominal wages tend to stagnate.

Also, having many firms in an industry means many capitalists, but the labor force isn't infinitely flexible. So if many firms start producing cars, they will be competing for customers, and will bid up the wages and bid down the cost of the product.

Now what may happen is that in 10 years or so, in response to the high wages auto workers are being paid, a disproportionate number of people learn the skills necessary for auto work, and you have more auto workers than the firms need, and new firms can't be started because the public doesn't want any more cars.

This is simply a misallocation of resources, and those auto workers predicted incorrectly about what skills capitalists wanted. The workers, when getting trained, picked the "wrong" field, in the same way a capitalist may pick to produce the "wrong" product. And thus the worker won't be able to rent himself to the capitalist in the same way the capitalist won't be able to sell his product to the buyer.

A State Program

State programs and state interventions pervert the feedback mechanisms that exist on the free market. Of the two, interventions are far more damaging than state programs. If a king taxed his subjects at 10% (in terms of resources, money, whatever, just "10%" of "value") and spent that money on crap, but beyond that let his subjects be, his subjects would still have 90% functionality in their productive life.

That is things would be produced with 90% of people's resources according to what people were willing to buy with the remaining 90% of their resources. The first things to go if this tax were enacted de novo would typically be luxury goods. Think maslow's hierarchy of needs. In hard times, people sell their jewelry for food, not food for jewelry.

So the 90% economy wouldn't just have less "value" floating around, but the production would be structured differently. This is why 3rd world countries don't have really tiny cars and really tiny houses for each person and really tiny meals. They have no cars, shacks for shelter, rags for clothes and plain foods with little meat that typically needs to be heavily spiced to prevent a gag reflex. Production is structured differently.

A state program is similar to the king's tax. Resources are siphoned off from the population, and some worthless program is created. "Worthless" may be hyperbolic, but it is by definition worth less than what those resources would have been used for had they not been taxed away. We know this because those resources were not spent on it in the free market (that's why it had to be a state program).

Examples of state programs are state education camps (public education), or transfer payments to poor people. These things do pervert the structure of production to some extent, but their main cost is the direct taxation (which includes 12 years in the education camps).

A state program of any type is disconnected from the demands of the emergent order to some extent. It is like an organ that doesn't fully feel pain, or a company that doesn't totally suffer from its misallocation of resources. Because if the state education camps had to rely on voluntary enrollment and payment of tuition (ignoring the destitute for now) they would not receive enough funds to sustain their operation, that is they would be sensitized to the fact that they are wasting a titanic amount of resources.

Now I know that if all state education camps were privatized and all legal standards requiring an "appropriate education" were removed, there would be a lot more people voluntarily paying to send their kids to the same formerly-statist education camps than if those camps never existed in the first place. Habits develop and are not broken precipitously.

The reason state programs are not totally dysfunctional is because they are not totally unregulated by demand. There are ways to pester and harass the education camps and get them to conform to the demands of the people, and if the state is based on the fantasy that voting =

the law, a politician may cite the dysfunction of the camps as a reason to vote for him to reform them.

I am definitely not endorsing votingism, but there is some feedback. That is the education camps are not completely desensitized, but they must be desensitized enough in order to exist in the first place.

However, the resource misallocation is occurring, and the desensitization allows for much more misallocation in the same way desensitization to heat allows a person to keep pressing his hand on a hot stove.

But as bad as state programs proper are, they are not nearly as awful as interventions. State programs, while always having some negative interventionist impact on the economy, are predominantly just taxing. Interventions can destroy the market itself, and what's worse is that their effects tend to be blamed on the nonexistent free market.

There would still be educational programs on a free market to the extent there was demand for it. When I say the state education camps are a waste, I am not saying all education is a waste. To the extent that the state program doesn't perfectly mirror that which would emerge on a free market is the extent to which it is wasteful.

Third World Wages

Remember what wages are. It is an agreed upon payment that the capitalist pays the laborer.

People who live in "the third world" don't have much alternative to working in a shoe factory, and thus companies can pay workers very low wages and make killer profits because of the low wage rate.

Profits - that's a signal. That's a signal for companies all over the world to build factories in the third world to get profits. If this is allowed to happen, tons of companies will enter the third world to exploit the cheap labor.

But now you have increased competition for third world labor, which results in labor getting bid up.

Think high pressure to low pressure. Capital goes from relatively "overcapitalized" areas to relatively "undercapitalized" areas. This occurs between geographic areas, and between industries (to the extent that the capital being transferred can operate in a new industry. For example Sony making videogame systems. It was easier for Sony to move into videogames than it would be for ConAgra.)

This is how a better life comes about. Humanitarian activities can make life better for some for as long as the charity keeps flowing in, but that is secondary. For these areas to improve their quality of life in the long run, they must produce things that others want, exchange those resources and invest in more capital, etc., until they have as much capital per person as a place like Mexico (which is not a poor place by global standards).

The Corporation

State interventions are similar to state programs, and cause what were private companies to suffer from the same basic problem as state programs: desensitization.

The corporation originated as an entity to pool risk. A person would go to a market, perhaps a

designated stock market, and offer to sell a piece of a venture. An example would be a company that would get a ship, sail to India and get some spices, and sell it at the Rotterdam exchange for a killing. However, if the cargo was lost, the investment would be destroyed.

So, people would get together and each pay for a portion of the expense of the voyage in exchange for a portion of the profits if those profits came to be. And this allowed a very rich man to, instead of funding a single voyage in an all-or-nothing venture, buy 1/10 of 10 voyages, and have a more assured return.

This also allowed the not-so-wealthy to invest, because one wouldn't have to be able to afford an entire voyage in order to get in on the action. And so corporations originally provided a way for the laborer to become, at least partially, a capitalist, and I see the corporation in its original form a very egalitarian program. And to an extent that does exist in corporations today.

The problem with corporations as they exist today comes from their ability to socialize losses. And this ability to socialize losses comes from the state.

The corporation today is a legal fiction, and if a corporation goes bankrupt, the management of that corporation doesn't have to face the punishments. The artificial man of "the corporation" does.

In its purest form, 10 guys could form a corporation, have "the corporation" go into millions in debt, maxing out the credit line, and then have the corporation go bankrupt while they pocket the cash. They produce nothing, it's a shell game. Then the corporation gets sentenced to whatever the punishment is, but the 10 guys who formed it get off scot free and keep the cash.

And who picks up the tab? The state. And where does the state get its money? From taxes. This is how corporations today "socialize losses".

It is impossible for a corporation today to pull off a stunt this brazen, there are various "regulations" in place saying that a corporation has to produce something and can only pay CEOs X amount and all sorts of rules to make it difficult to rob the public purse.

I am not an expert on this, but that is the basic issue. And corporations can fleece the public by getting around these regulations and pull and Enron. And so when one says that (the enforcement of) state regulations limit corporate malice, that is true, but is very misleading. The problem would be eliminated completely if there were no state to back the corporation in the first place.

Capitalists and Wage Slavery

Capital is the means of production. A car factory (lets treat it like its just one thing) is a capital good because it produces a consumer good, something that consumers will buy. What is a capital good and what is a consumer's good is subjective. For example, a person wearing shoes to work.

Did he buy those shoes for their utility in and of themselves, or did he buy those shoes as a piece of work equipment to help him produce things? So there can be ambiguous cases, but lets simplify for analysis and just deal with a factory producing cars.

For some reason, the capitalist has acquired a factory. Perhaps he bought it after receiving a loan from a bank, which needs to be paid back, in which case the bank is similar to the weapon-maker in the previous example, and the capitalist is like the weapon-maker when compared to the laborers. Perhaps he bought it with his own funds. The capitalist then hires workers to work in the factory.

These workers get paid some wage, be it an absolute wage, a percentage of sales, or a mixture of

both. This wage is much less than the value of that which they produce. This is because the product was made with other resources which had to be bought and was made in a factory which cost money to operate.

The workers get a wage, and there may also be a profit. Profit is often viewed as exploitative, and many wonder why the capitalist is able to take some money off the top.

Indeed, why is he? And why do chemical engineers get paid so much? The answer is that both the capitalist and the chemical engineer are providing a service. The capitalist is taking a big risk and / or deferring consumption by opening a car factory, and he thinks he knows more about consumer demand that isn't being satisfied than everyone else.

That is, he thinks he has an idea for a cool new car that everyone is going to want to buy.

If you think this is a bunch of crap and that the capitalist is not providing a service, cool beans.

Start a co-operative, a worker-run business, or a non-hierarchical firm. If that mode of production is able to produce cars that people will buy, then workers should get together, pony up the money for a factory and / or get it from a bank, and start making cars.

That this is not happening suggests to me that the capitalist, sometimes called the entrepreneur, is indeed providing a service and / or that there is some state intervention preventing this from happening.

And that service is planning the structure of production. If he is a crappy planner, his firm will fail and he'll lose everything and maybe more. That capitalists / entrepreneurs come into existence in free human interaction is evidence that they do provide some service, as they certainly are not viewed with the same reverence as the state.

What's more is that the capitalist competes with other capitalists, and if he is paying himself more than other capitalists are paying themselves, his firm will suffer. And if all capitalists in all firms raise their bonuses together, then like a sword of Damocles the banks can provide funds for upstarts who are willing to pay themselves peanuts and smash the cartel.

And the more difficult to predict an industry is, the more capitalists there will be. That is why when one thinks of co-operatives they think of farms, because food is always in demand to some extent. And older, more settled industries tend to have fewer capitalists.

The capitalist, on a free market, is a laborer. He is the first laborer. And just like in any firm, there is a wage scale. The labor that is more valuable tends to be paid higher than the labor that is less valuable, to the extent that the firm can calculate the value of labor. For example, chemical engineers tend to be paid more than janitors.

And if the labor of the capitalist - coordinating the firm, is valuable, then he will be able to earn high profits for himself. If it is not, then the payment of the capitalist will become smaller until he becomes a part-time capitalist or is bought out by the workers. This buy-out reflects the fact that the capitalist acquired the capital in the first place, and then earned profits through his stewardship, and so is "just".

That said, the current state of affairs within the claimed borders of just about every state on the planet is not a free market. There are all sorts of ways capitalists lobby the state to maintain their fortunes without taking any risks.

Barriers to Entry

To explain why the world economies as of 2009 are not free markets in one sentence: established firms lobby the state to make it more difficult for competing firms to establish themselves.

That is they lobby the state to erect barriers to entry. Because populations believe in the legitimacy of the state, large firms (typically corporations) can buy off the legislators, the monarch or the dictator or whoever, and have them make laws favorable to their business at the expense of their competitors and / or the general public.

If companies tried to do these things themselves, they would be a near 100% marginal state, that is nobody would view McDonalds decree that new fast-food firms must pass inspection of McDonalds regulators as a legitimate imposition. But state regulators, bought off by McDonalds, are seen as legitimate. Thus hijacking the ideological cloak of the state greatly lowers McDonalds cost of enforcement.

I have no crystal ball, perhaps large firms would be able to create a marginal state within a stateless society, but I very much doubt this, as that is like herding cats, crushing slush and pushing rope.

Examples of barriers to entry:

- Increasing the fixed costs to start a firm.

This typically means useless paperwork. Wal-Mart can hire guys who do nothing but fill out paperwork, and so if filling out paper work costs Wal-mart $80,000 a year to hire a guy capable to do that, it costs about the same for mom-and-pop mart. But mom-and-pop mart is much smaller and can't afford a guy to fill out the papers, and so they go belly-up.

By making it so each tiny firm has to pay as much as Wal-mart to do something, be it a fixed license fee, forms, whatever, that makes smaller businesses less viable.

This does not have to be absolute, for example it may cost Wal-mart $1 million to fill out forms and cost mom-and-pop-mart only $10,000 to fill out forms, but Wal-mart makes $360 billion a year and mom-and-pop-mart only make $500,000 a year, thus the costs of form-filling disproportionately hurt smaller firms.

This disproportionate cost of paperwork is why there has formed in "America" a seething web of difficulty. Paper-prisons, courtesy of big business manipulating the fantasy strucure of the state.

- Tailor regulations to match the specific setup of the lobbying firm.

That way the lobbyist doesn't have to change a thing but his competitors are forced to change their production process. An example would be if car company A lowered toxic emissions by installing catalytic converters while car company B lowered toxic emissions by having more efficient engines, and company A lobbied the state to require all cars to have catalytic converters installed.

Another example of this would be requiring scrubbers on factories.

- Keep out foreign competitors to "keep American jobs".

This allows a cartel of firms in a given industry to lobby just one state and not have to worry about firms that don't fall under the hammer of the lobbied state. Or have tariffs. Tariffs not only weaken foreign competitors and make cartelization within one state easier, but the lobbyists can use the excuse of a government revenue shortfall along with the "keep American jobs" line.

However, without barriers within the state, external trade barriers won't prevent competition from forming from within the borders of that state. So both internal and external barriers are needed for cartels to form.

This is why you will often see big businesses championing labor. And in 2009 this is why the British National Party gets big business support.

- Raise taxes on "the rich".

"The rich" typically means the up-and-coming rich, who earn around $1 million a year in 2009 dollars, and threaten to break into the super-rich institutional wealth club.

This is why the super-rich love to "tax the rich" but the working rich are "greedy and grasping". Of course the super-rich don't really pay any taxes because they don't earn any "income"; all of their expenses are paid for by their company and are written off as business expenses. So a spike in the income tax doesn't hurt them at all, it only hurts the people who are likely to be their competitors in the future.

So when some politician wants to tax the rich, ask him if he's going to tax the Rockefellers, the Waltons and the Morgans or if he's just going to financially punish doctors and engineers for not providing enough net value to society.

Barriers to entry are how cartels are maintained.

In the old western territories of the "United States", the railroad companies would routinely attempt to cartelize, that is they would try to raise rates together. They have to raise rates together, because if one rail line raised rates they would lose all of their customers to the other rail companies. So they would try to raise rates together, but this never worked. They would raise rates and earn killer profits for a short period of time - profits. And profits are a signal.

This attracts capitalists from other places to build competing rail lines to undercut the cartel, and the competing line will siphon off customers continually until the cartel breaks up. Thus the rail lines had to lobby the state and get land grants, which were territorial monopolies that prevented other firms from building rail lines.

Not related to cartelization, but the transcontinental railroad was built with land grants and subsidies. If rail was built over rough terrain with steep grades, the pay was higher than rail built on easy grades. The result was that the rail companies tried to build rather circuitous routes on land that just barely qualified as rough grade.

This provides a visual description of what happens when firms are desensitized and not punished for wasting resources. The statist rail lines were jagged and inefficient, and the trans-continental rail line actually went out of business.

In contrast, James J. Hill's Great Northern Railroad stretched from St. Paul to Seattle and was started tin 1889 and completed in 1893 on a shoestring budget but managed to turn a profit. The lines were straight and built on low grades and made from imported Bessemer steel. --

Similar to the capitalists, skilled labor unions work to keep out unskilled competition. Unions, professional associations and guilds restrict entry into an industry, thus raising the value of each forklift operator, plumber or candlestick-maker.

This restriction of supply is in effect wasting resources because less people are willing to spend

time getting through the guild, and thus we all have less of these people to benefit from.

For example the American Medical Association is a physician lobby group which lobbied to increase the number of years physicians had to spend in college, and shut down competitors such as homeopaths, pharmacists, midwives, nurses, and chiropractors.

One may claim that it was necessary to ensure quality physicians, but it wasn't patients who were clamoring for such things. There is no reason to believe medical services cannot be produced and regulated the same way microchips and jet aircraft are.

And having various 3rd party testing and certifying companies is not such a complex task. Just have 3rd party testing and certifying agencies, with watchdogs, and watchdogs of the watchdogs, and competing watchdogs calling each other out when their standards slacken. Simple and predictable, not like the chaotic mess that comes from desensitized statist interventions.

Minimum wages are also a barrier to entry that prevents competition against skilled labor from forming. That is, you simply make it illegal to employ someone below a specified "minimum wage". This restricts the labor market and forces employers to employ a few skilled laborers at $20/hr instead of many unskilled laborers at $3/hr. This results in less efficient production and less actual stuff available for "society at large".

Along with shutting out unskilled labor, the minimum wage increases the value of skilled labor. Whereas if an employer had the option of employing some border-brothers at $3/hr, the skilled laborer may decide to work for only $15/hr because lower pay is better than no pay.
That is just a quick rundown. I recommend reading that which I cited if you are interested in more details.

But all of these things use the state, and they require a belief. The problem is that all of these tricks are somewhat hidden from view. Most people see companies producing things, with private property, and assume "this must be a free market".

That is why these "regulations" are so insidious, because they do great damage to the structure of production causing economic harm, reduce economic mobility, and concentrate wealth in the hands of a few politically connected capitalists, and make it look like the problem is free enterprise.

These people are just exploiting the fantasy of the state. Without that ideological cloak, the capitalists would have to compete fair and square.

Barriers to Entry and Hierarchy in Firms

If we recognize that:

1. New industries require more planning than old, settled industries and
2. Capitalists plan the structure of production,

then we know that new industries will tend to have more capitalists. And older industries will tend to have less capitalists. I'm being redundant, but this is important.

If the capitalists can get to the politicians however, then they can cartelize. And this cartelizing raises their profits, resulting in them not being phased out like they would on a free market.

So a free market would be a much more social market. And capitalists have their place, they are not good or bad per se, nor is hierarchy, and I do not foresee many fully non-hierarchical firms. Hierarchy is something that will always exist on a continuum, and will flare in and out as new

technology is implemented.

The Business Cycle

Imagine a bricklayer laying bricks to build a wall. He has 10,000 bricks, and so plans a way to make a wall that is 100 yards long (I'm just making up numbers).

If he is told he has 20,000 bricks, and the bricklayer believes this, he will change his plan and make the wall twice as high. This results in a wall-building boom.

However, as he builds the wall, he begins to realize that he only has 10,000 bricks. And so what he has to do is find a way to salvage the bricks that were used to make the wall twice as high.

Some bricks can be salvaged, but many are destroyed. Let's say he use 5,000 bricks on the first 25 yards before realizing he only had 10,000 bricks for the full 100 yards. And let's say of the 2,500 bricks removed from the first 25 yards of the wall, only 1,250 can be salvaged.

This means for the remainder of the wall, the bricklayer only has 6,250 bricks. If the bricklayer had not been misled by the faulty signal, he would have had 7,500 bricks remaining for the remaining 75 yards.

Now imagine the bricklayer has 10,000 brick notes to buy from the brick-maker (apparently he got them from whoever was employing him to make the wall). He buys bricks, builds the wall, no sweat just like before, except with one more step.

Now imagine if some guy printed off 10,000 additional brick notes and gave them to the bricklayer. The bricklayer would jump for joy at having so many notes and could build a brick wall twice as high! So he buys up 5,000 bricks for the first 25 yards and gets to laying, but the brick maker notices something: he only has 5,000 bricks left, but the bricklayer has 15,000 notes left. So the brick maker raises his price to 3 notes per brick. Inflation. The bricklayer sees this, and now realizes he only has 5,000 more bricks to finish the whole project, and attempts to salvage some bricks from the first 25 yards of the wall, removing 2,500 bricks but only saving 1,250.

The increase in the number of brick notes misled the bricklayer to inefficiently lay bricks at twice the rate in bricklaying frenzy. This was the artificial boom. It was followed by inflation and the bust - which literally involved busting bricks in this case.

The same thing happens when federal reserve notes are printed. Federal reserve notes, which are notes issued by the federal reserve, which is a nominally private bank established by act of congress and has a de facto legal monopoly on currency as a result of legal tender laws.

When the federal reserve increases the money supply, the effect is just like printing off a bunch of brick notes, except it applies to all resources in the entire "economy" (I put "economy" in quotes just to point out that there is no singular economy, economy is just a concept of all human exchange in a given area, and what is "economic activity" is subjective). And so what happens is there is a business-starting boom, and everyone and his mom and his dog is starting an e-business or buying a condo.

But eventually it becomes revealed that there aren't really that many resources in the economy, and so there is a bust, and whatever resources from the failed ventures that can be salvaged are salvaged.

The printing of money (or today the electronic poofing of money into computers) results in faulty signals being sent to people.

This is the Austrian Business Cycle. And it explains economic phenomena that have perpetually baffled Keynesian and neo-classical economists who ascribe such events to "intrinsic demand for cash holding" and similar hokum.

Some clarifications:

In reality the boom and the inflation tend to overlap in time. There is some inflation while the boom is going on, because some businesses realize what's going on sooner than others or they realize what's going on but the boom still continues - it's complicated.

As for the specifics of how the fed makes money (open market operations, the discount rate, and reserve requirements), those are details not relevant to the main point of this writing.
The main point is that the state monopoly on currency allows them to poof notes into existence and we are forced to use them because it is the law. And laws are obeyed because of the ideological - marginal state. And this poofing of notes into existence sends the wrong signals to investors, making them think there are more bricks than there really are, causing them to build tons of stuff in a frenzied boom, only to have to be salvaged when people realize there isn't actually that much stuff.

So when one claims that the free market is volatile, remind them that the business cycle is caused by the state's manipulation of the money supply, sending the wrong signals.

And no, the federal reserve is not a private institution. An institution established by an act of congress and whose notes are required to be accepted as payment for debts by the law of the state, is not a private institution. It is, however, a state agency unique in that it is far less accountable than the elected politicians who it hides behind.

I hope the reader is starting to see "the economy" as something more emergent and biological in nature. This is why Austrian Economics is so excellent: they deal in general axioms and deductive reasoning to determine where the flower will tend to grow or whither.

Cartels

Monopolies are a very simple topic. First off, Monopolies simply don't form. When people talk about monopolistic price-gouging, they're really talking about cartels. The reason monopolies don't form is because as a firm buys out more and more of its competitors, each competitor charges more and more to be bought out. The reason each competitor charges more and more is because each competitor sees this firm making a bid to become a monopoly.

So even if you have a limited space or limited resource - such as gold or oil, mountain passes or roads in a city, you won't get monopolies because the price a would-be monopolist would have to pay to buy out the competing (though limited in total number) mountain passes is astronomical. If you're the last competitor of a giant firm trying to become am monopoly, and that firm wants to buy you out, you know that you can demand an astronomical amount to be bought out at. Not that it's impossible, but it's systematically unlikely.

Now in a cartel the firms all agree to raise prices together. If any one of the mountain pass rail lines tried to raise prices while the others charged competitive rates, that firm would lose customers and lose money. But if they all raise rates together, the customer has no choice assuming he has to use one of the mountain pass lines.

But cartels are internally unstable. Lets say you have 5 mountain pass rail lines in an area. They each charge $1 per trip when competing. Then they all get together and decide to charge $2 per trip. Now they are all charging $2 per trip and while they did lose a few customers, they ended up making 50% more in total revenue.

But then one of the 5 firms decides to charge $1.90 per trip one day. During competition, this firm got 1000 customers per day. During cartelization, they got 750 customers per day. But then when they broke off from the cartel and started charging $1.90 per day, they got 1250 customers.

Since any firm that makes up a cartel stands to make more money by undercutting the cartel, cartels are inherently unstable, and monopolies are practically impossible. So even if no new firms can enter to break a cartel, cartels break down internally, and then reform, then break down, reform, etc.

And as for industries that are not of limited space or resource, the issue of cartels is moot because there is an entire economy and in particular a lending system that, if the space or resource is not limited, will easily break any cartel. For example electronics, clothing, automobiles; these are basically industries where if you have enough money you can enter and compete for customers.

This is why the old robber barons needed land grants - which were nothing more than state-sanctioned geographic monopolies, which artificially limited the space.

And this is actually where the corporation becomes helpful, because wage-laborers across the world can buy small amounts of stock which add up to an entire firm, and this firm can then compete with the cartels and break them.

In fact the very term mono-poly comes from the original understanding of monopoly as being a grant by the king. Notions of free-market monopoly come from the tall tales of court intellectuals who want to rationalize state intervention and regulation.

Monopsonies, or more realistically oligopsonies work the same way. If we take the capitalist and the laborer paradigm and turn it upside down, we see that the laborer is selling his services to the capitalist. And so a labor union can be recognized as just a cartel. If labor attempts to cartelize and raise the price of their services above equilibrium, they will be fired and replaced. However, a well-integrated and proven labor force is a valuable asset, and thus experienced workers can typically command higher wages. And if the firm is non-hierarchical, then "the capitalist" is just the mass or workers, or more likely a council.

If capitalists get together and attempt to depress wages below equilibrium, then labor can cartelize and strike. If the capitalists win the strike and manage to force labor to accept below-equilibrium wages (that is, wages below the value of their labor, thus allowing the capitalist to earn more than the value of his planning), the battle is not over yet.

These capitalists would be earning abnormal profits as a result of not paying their workers as much. And like high pressure to low pressure, this would attract new capitalists to start a competing firm where they pay the workers just above what the oligopsonistic firms were paying, and this would happen over and over again until wages were bid back up.

The far-sighted capitalist would pay his workers at equilibrium and wouldn't engage in dishonest shenanigans. But if he decides to do so, he will pay in the end. This can be deduced catalactically, but his actions will also foster bad will to the extent that people care about the good faith of firms they deal with.

Unfortunately, there is always stick. Moving and changing jobs is a hassle. And this slows things down. In general, stick also impacts the capitalist, as the labor pool he has to choose from is relatively limited geographically.

But it slows down all market responses to abuse. This stick will allow a capitalist to cartelize and depress wages or raise prices, or both, for as long as it takes to break the stick. Thus capitalists

with a high time preference will engage in this abuse, that is, short-sighted capitalists will.

Statism is Antisocial

When arguing for freedom, one argument you inevitably get is, humans are social animals. And because of this, humans must be forced into the same defense, legal and welfare units with 300 million strangers.

The argument should end there. But let us go a bit further. Ignoring monopolies for now, on a free market, value is exchanged for value. Bob produces apples and exchanges them for peaches, or does so through exchanging the apples for pieces of silver, and then exchanging that silver for peaches. When Bob produces apples, and gives them to someone else, he receives a value token.

But Bob must provide something for other people that they actually want. If he doesn't produce what the relevant society wants him to produce, then Bob will go out of business. And by what the relevant society wants, I mean what the people who have provided value to others want. To make money on a free market, you must satisfy some demand of society. In this way the free market is a social market.

To combat this fact statists have told tall tales about free market monopolies. That is stories of people receiving value tokens without providing value to anyone or getting value tokens from the products that other people made (wage slavery nonsense) on a free market. Unfortunately the situation is complicated as state intervention has allowed politically connected capitalists to achieve value tokens without providing value; antisocial wealth.

So obviously crony state-capitalism is antisocial, but so are state programs proper. A state program seizes value tokens from other people and provides a discalibrated and disintegrated service, for example a road, a water treatment facility, a police or fire station. This is not to say that those services aren't desired.

In fact the reason the politicians could convince the population that these needed to be state services is because they are viewed as critical public services. But to the extent that the taxation doesn't mirror how much each person would have paid for the public service on a free market and the goods are not provisioned how they would have been provisioned on a free market is the extent to which the state program is antisocial.

Or more succinctly, the more disconnected from the structure of production a service is (be it the services of a crony capitalist or the misguided but honest public servant), the more antisocial it is. And because a state program is NECESSARILY disconnected (thats the whole point of a state program), a state program is NECESSARILY antisocial.

The Truth About the "Robber Barons", by Thomas J. DiLorenzo

Excerpted from Chapter 7 of his book "How Capitalism Saved America":

http://mises.org/store/How-Capitalism-Saved-America-The-Untold-History-of-Our-Country-from-the-Pilgrims-to-the-Present-P260C0.aspx

The late nineteenth and early twentieth centuries are often referred to as the time of the "robber barons."

It is a staple of history books to attach this derogatory phrase to such figures as John D. Rockefeller, Cornelius Vanderbilt, and the great nineteenth-century railroad operators Grenville Dodge, Leland Stanford, Henry Villard, James J. Hill, and others. To most historians writing on this period, these entrepreneurs committed thinly veiled acts of larceny to enrich themselves at the

expense of their customers. Once again we see the image of the greedy, exploitative capitalist, but in many cases this is a distortion of the truth.

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In the mousetrap industry, for instance, you can be a market entrepreneur by making better mousetraps and thereby convincing consumers to buy more of your mousetraps and less of your competitors', or you can lobby Congress to prohibit the importation of all foreign-made mousetraps. In the former situation the consumer voluntarily hands over his money for the superior mousetrap; in the latter case the consumer, not given anything (better) in return, pays more for existing mousetraps just because the import quota has reduced supply and therefore driven up prices.

Most who use the term "robber barons" are confused about the role of capitalism in the American economy.

The American economy has always included a mix of market and political entrepreneurs self-made men and women as well as political connivers and manipulators. And sometimes, people who have achieved success as market entrepreneurs in one period of their lives later become political entrepreneurs. But the distinction between the two is critical to make, for market entrepreneurship is a hallmark of genuine capitalism, whereas political entrepreneurship is not, it is neomercantilism.

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How to Build a Railroad

Most business historians have assumed that the transcontinental railroads would never have been built without government subsidies. The free market would have failed to provide the adequate capital, or so the theory asserts. The evidence for this theory is that the Union Pacific and Central Pacific railroads, which were completed in the years after the War Between the States, received per-mile subsidies from the federal government in the form of low-interest loans as well as massive land grants. But there need not be cause and effect here: the subsidies were not needed to cause the transcontinental railroads to be built. We know this because, just as many roads and canals were privately financed in the early nineteenth century, a market entrepreneur built his own transcontinental railroad. James J. Hill built the Great Northern Railroad "without any government aid, even the right of way, through hundreds of miles of public lands, being paid for in cash," as Hill himself stated.

Quite naturally, Hill strongly opposed government favors to his competitors: "The government should not furnish capital to these companies, in addition to their enormous land subsidies, to enable them to conduct their business in competition with enterprises that have received no aid from the public treasury," he wrote. This may sound quaint by today's standards, but it was still a hotly debated issue in the late nineteenth century.

James J. Hill was hardly a "baron" or aristocrat. His father died when he was fourteen, so he dropped out of school to work in a grocery store for four dollars a month to help support his widowed mother. As a young adult he worked in the farming, shipping, steamship, fur-trading, and railroad industries. He learned the ways of business in these settings, saved his money, and eventually became an investor and manager of his own enterprises. (It was much easier to accomplish such things in the days before income taxation.)

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It took Hill and his business partners five years to complete the purchase of the railroad (the St.

Paul, Minneapolis, and Manitoba), which would form the nucleus of a road that he would eventually build all the way to the Pacific (the Great Northern). He had nothing but contempt for Cooke and the NP for their shady practices and corruption, and he quickly demonstrated a genius for railroad construction. Under his direction, the workers began laying rails twice as quickly as the NP crews had, and even at that speed he built what everyone at the time considered to be the highest-quality line. Hill micromanaged every aspect of the work, even going so far as to spell workers so they could take much-needed coffee breaks. His efficiency extended into meticulous cost cutting. He passed his cost reductions on to his customers in the form of lower rates because he knew that the farmers, miners, timber interests, and others who used his rail services would succeed or fail along with him. His motto was: "We have got to prosper with you or we have got to be poor with you."

In keeping with his philosophy of encouraging the prosperity of the people residing in the vicinity of his railroad, Hill publicized his views on the importance of crop diversification to the farmers of the region. He didn't want them to become dependent on a single crop and therefore subject to the uncertainties of price fluctuation, as the southern cotton farmers were. Hill also provided free seed grain and even cattle to farmers who had suffered from drought and depression; stockpiled wood and other fuel near his train depots so farmers could stock up when returning from a delivery to his trains; and donated land to towns for parks, schools, and churches. He transported immigrants to the Great Plains for a mere ten dollars if they promised to farm near his railroad, and he sponsored contests for the beefiest livestock or the most abundant wheat. His "model farms" educated farmers on the latest developments in agricultural science. All of this generated goodwill with the local communities and was also good for business.

Hill's rates fell steadily, and when farmers began complaining about the lack of grain storage space, he instructed his company managers to build larger storage facilities near his rail depots. He refused to join in attempts at cartel price fixing and in fact "gloried in the role of rate-slasher and disruptor of [price-fixing] pooling agreements," writes historian Burton Folsom. After all, he knew that monopolistic pricing would have been an act of killing the goose that lays the golden egg.

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Hill's Great Northern was, consequently, the "best constructed and most profitable of all the world's major railroads," as Michael P. Malone points out. The Great Northern's efficiency and profitability were legendary, whereas the government-subsidized railroads, managed by a group of political entrepreneurs who focused more on acquiring subsidies than on building sound railroads, were inefficiently built and operated. Jay Cooke was not the only one whose government-subsidized railroad ended up in bankruptcy. In fact, Hill's Great Northern was the only transcontinental railroad that never went bankrupt.

James J. Hill versus the Real Robber Barons

By the summer of 1861, after the Battle of First Manassas, it was apparent to all that the War Between the States was going to be a long drawn-out campaign. Nevertheless, in 1862 Congress, with the southern Democrats gone, diverted millions of dollars from the war effort to begin building a subsidized railroad. The Pacific Railroad Act of 1862 created the Union Pacific (UP) and the Central Pacific (CP) railroads, the latter to commence building in Sacramento, California, and the former in Omaha, Nebraska. For each mile of track built Congress gave these companies a section of land most of which would be sold as well as a sizable loan: $16,000 per mile for track built on flat prairie land; $32,000 for hilly terrain; and $48,000 in the mountains. As was the case with Jay Cooke's Northern Pacific, these railroads tried to build as quickly and as cheaply as possible in order to take advantage of the governmental largesse.

Where James J. Hill would be obsessed with finding the shortest route for his railroad, these

government-subsidized companies, knowing they were paid by the mile, "sometimes built winding, circuitous roads to collect for more mileage," as Burton Folsom recounts. Union Pacific vice president and general manager Thomas Durant "stressed speed, not workmanship," writes Folsom, which meant that he and his chief engineer, former Union Army genera1 Grenville Dodge, often used whatever kind of wood was available for railroad ties, including fragile cottonwood.

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In 1869, after seven years of construction, the two subsidized railroads managed to meet up at Promontory Point, Utah, amidst much hoopla and celebration. What is not often mentioned, however, is that after the big celebration both of the lines had to be rebuilt and even relocated in places, a task that took five more years (into 1874).

The wasteful costs of construction were astonishing. The subsidized railroads routinely used more gunpowder blasting their way through mountains and forests on a single day than was used during the entire Battle of Gettysburg.

With so much tax money floating around, the executives of the CP and UP stole funds from their own companies in order to profit personally, something that would have been irrational for James J. Hill or any other private, market entrepreneur to do. For example, the UP managers created their own coal company, mining coal for two dollars per ton and selling it to themselves for six dollars per ton, pocketing the profits. This crooked scam was repeated in dozens of instances and would be exposed as the Credit Mobilier scandal. (Credit Mobilier was the name of one of the companies run by UP executives.)

With virtually everything riding on political connections, as opposed to creating the best-quality railroad for consumers, the UP and CP executives naturally spent an inordinate amount of time on politics as opposed to business management. While James J. Hill detested politicians and politics and paid little attention to them, things were very different with the UP. Folsom explains:

In 1866 Thomas Durant wined and dined "prominent citizens" (including senators, an ambassador, and government bureaucrats) along a completed section of the railroad. He hired an orchestra, a caterer, six cooks, a magician and a photographer. For those with ecumenical palates, he served Chinese duck and Roman goose; the more adventurous were offered roast ox and antelope. All could have expensive wine and, for dessert, strawberries, peaches, and cherries. After dinner some of the men hunted buffalo from their coaches. Durant hoped that all would go back to Washington inclined to repay the UP for its hospitality.

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Hill continued to show how effective market entrepreneurs could be. Having completed the Great Northern, he then got into the steamship business in order to facilitate American exports to the Orient. As usual, he succeeded, increasing American exports to Japan sevenfold from 1896 to 1905. He continued to reduce his rail rates in order to make American exports profitable. Being an ardent free trader, Hill was a Democrat for most of his life, because the Republican Party since the time of Lincoln had been the main political force behind high protectionist tariffs.

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Recognizing a market in the American Midwest for timber from the Northwest, Hill convinced his next-door neighbor, Frederick Weyerhauser, to get into the timber business with him. He cut his freight charges from ninety to forty cents per hundred pounds, and he and Weyerhauser prospered by selling Northwest timber to other parts of the country.

Despite the quality services and reduced costs that Hill brought to Americans, he would be

unfairly lumped in with the political entrepreneurs who were fleecing the taxpayers and consumers. The public eventually began complaining of the monopoly pricing and corruption that were inherent features of the government-created and -subsidized railroads.

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The Interstate Commerce Commission soon created a bureaucratic monstrosity that attempted to micromanage all aspects of the railroad business, hampering its efficiency even further. This was a classic example of economist Ludwig von Mises's theory of government interventionism: one intervention (such as subsidies for railroads) leads to market distortions which create problems for which the public "demands" solutions. Government responds with even more interventions, usually in the form of more regulation of business activities, which cause even more problems, which lead to more intervention, and on and on. The end result is that free-market capitalism is more and more heavily stifled by regulation.

And on top of that, usually the free market, not government intervention, gets the blame. Thus, all of the railroad men of the late nineteenth century have gone down in history as "robber barons" although this designation definitely does not apply to James J. Hill. It does apply to his subsidized competitors, who deserve all the condemnation that history has provided them. (**Also deserving of condemnation are the politicians who subsidized them**, enabling their monopoly and corruption.)

Oily Characters?

Another prime example of a market entrepreneur whom generations of writers and historians have inaccurately portrayed indeed, demonized is John D. Rockefeller. Like James J. Hill, Rockefeller came from very modest beginnings; his father was a peddler who barely made ends meet. Born in 1839, he was one of six children, and his first job on graduating from high school at age sixteen was as an assistant bookkeeper for fifteen cents a day (under ten dollars a day today, even accounting for nearly 150 years of inflation).

Rockefeller was religious about working and saving his money. After working several sales jobs by age twenty-three he had saved up enough to invest four thousand dollars in an oil refinery in Cleveland, Ohio, with a business partner and fellow church member, Samuel Andrews.

Like James J. Hill, Rockefeller paid meticulous attention to every detail of his business, constantly striving to cut his costs, improve his product, and expand his line of products.

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Rockefeller pioneered the practice known as "vertical integration," or in-house provision of various inputs into the production process; that is, he made his own barrels, wagons, and so on. This is not always advantageous sometimes it pays to purchase certain items from specialists who can produce those items at very low cost. But vertical integration has the advantage of allowing one to monitor the quality of one 's own inputs.

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Rockefeller also devised means of eliminating much of the incredible waste that had plagued the oil industry. His chemists figured out how to produce such oil byproducts as lubricating oil, gasoline, paraffin wax, Vaseline, paint, varnish, and about three hundred other substances. In each instance he profited by eliminating waste.

Just as James J. Hill spent the extra money to build the highest quality railroad lines possible, Rockefeller did not skimp in building his refineries. So confident was he of the safety of his

operations that he did not even purchase insurance.

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One of Rockefeller's harshest critics was journalist Ida Tarbell, whose brother was the treasurer of the Pure Oil Company, which could not compete with Standard Oil's low prices. She published a series of hypercritical articles in McClure's magazine in 1902 and 1903, which were turned into a book entitled The History of the Standard Oil Company, a classic of antibusiness propaganda.

Tarbell's writings are emotional, often illogical, and lacking in any serious attempt at economic analysis. But even she was compelled to praise what she called the "marvelous" economy of the entire Standard Oil operation.

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Because of Standard Oil's superior efficiency (and lower prices), the company's share of the refined petroleum market rose from 4 percent in 1870 to 25 percent in 1874 and to about 85 percent in 1880.

"By the middle of the 20th century, real capitalism had all but disappeared from the oil industry."

As Standard Oil garnered more and more business, it became even more efficient through "economies of scale" the tendency of per-unit costs to decline as the volume of output increases. This is typical of industries in which there is a large initial "fixed cost" such as the expense involved in building an oil refinery. Once the refinery is built, the costs of maintaining the refinery are more or less fixed, so as more and more customers are added, the cost per customer declines. As a result, **the company cut its cost of refining a gallon of oil from 3 cents in 1869 to less than half a cent by 1885**. Significantly, Rockefeller passed these savings along to the consumer, as **the price of refined oil plummeted from more than 30 cents per gallon in 1869 to 10 cents in 1874 and 8 cents in 1885**.

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All of Rockefeller's savings benefited the consumer, as his low prices made kerosene readily available to Americans. Indeed, in the 1870s kerosene replaced whale oil as the primary source of fuel for light in America. It might seem trivial today, but this revolutionized the American way of life; as Burton Folsom writes, "**Working and reading became after-dark activities new to most Americans in the 1870s**." In addition, by stimulating the demand for kerosene and other products, Rockefeller also created thousands upon thousands of new jobs in the oil and related industries.

Rockefeller was extremely generous with his employees, usually paying them significantly more than the competition did. Consequently, he was rarely slowed down by strikes or labor disputes. He also believed in rewarding his most innovative managers with bonuses and paid time off if they came up with good ideas for productivity improvements, a simple lesson that many modern corporations seem never to have learned.

Of course, in every industry the less efficient competitors can be expected to snipe at their superior rivals, and in many instances sniping turns into an organized political crusade to get the government to enact laws or regulations that harm the superior competitor.

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The governmental vehicle that was chosen to cripple Standard Oil was antitrust regulation. Standard Oil's competitors succeeded in getting the federal government to bring an antitrust or

antimonopoly suit against the company in 1906, after they had persuaded a number of states to file similar suits in the previous two or three years.

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As happens in so many federal antitrust lawsuits, a number of novel theories were invented to rationalize the lawsuit. One of them was so-called predatory pricing. According to this theory, a "predatory firm" that possesses a "war chest" of profits will cut its prices so low as to drive all competitors from the market. Then, when it faces no competition, it will charge monopolistic prices.

It is assumed that at that point no other competition will emerge, despite the large profits being made in the industry. Journalist Ida Tarbell did as much as anyone to popularize this theory in her book on Standard Oil, in a chapter entitled "Cutting to Kill." To economists, however, predatory pricing is theoretical nonsense and has no empirical validity, either. It has never been demonstrated that a monopoly has ever been created in this way. Certainly predatory pricing was not a tactic used by Standard Oil, which was never a monopoly anyway.

In a now-classic article on the topic in the prestigious Journal of Law and Economics, John S. McGee studied the Standard Oil antitrust case and concluded not only that the company did not practice predatory pricing but also that it would have been irrational and foolish to have attempted such a scheme. And whatever else may be said about John D. Rockefeller, he was no one's fool.

McGee was quite right about the irrationality of predatory pricing. As an investment strategy, predatory pricing is all cost and risk and no potential reward. The would-be "predator" stands to lose the most from pricing below its average cost, since, presumably, it already does the most business. If the company is the market leader with the highest sales and is losing money on each sale, then that company will be the biggest loser in the industry.

There is also great uncertainty about how long such a tactic could take: ten years? twenty years? No business would intentionally lose money on every sale for years on end with the pie-in-the-sky hope of someday becoming a monopoly. Besides, even if that were to occur, nothing would stop new competitors from all over the world from entering the industry and driving the price back down, thereby eliminating any benefits of the predatory pricing strategy.

Finally, there is a logical contradiction in the theory. The theory assumes a "war chest" of profits that is used to subsidize the money-losing strategy of predatory pricing. But where did this war chest come from? The theory posits that predatory pricing is what creates a war chest of "monopoly profits," but at the same time it simply assumes that these profits already exist!

After examining some eleven thousand pages of the Standard Oil case's trial record, McGee concluded that there was no evidence at all presented at trial that Standard Oil had even attempted to practice predatory pricing. What it did practice was good old competitive price cutting, driven by its quest for efficiency and customer service.

The antitrust case against Standard Oil also seems absurd because its share of the petroleum products market had actually dropped significantly over the years. **From a high of 88 percent in 1890, Standard Oil's market share had fallen to 64 percent by 1911**, the year in which the US Supreme Court reaffirmed the lower court finding that Standard Oil was guilty of monopolizing the petroleum products industry.

The court argued, in essence, that Standard Oil was a "large" company with many divisions, and if those divisions were in reality separate companies, there would be more competition. The court made no mention at all of the industry's economic performance; of supposed predatory pricing; of

whether industry output had been restrained, as monopoly theory holds; or of any other economic factors relevant to determining harm to consumers. The mere fact that Standard Oil had organized some thirty separate divisions under one consolidated management structure (a trust) was sufficient reason to label it a monopoly and force the company to break up into a number of smaller units.

In other words, the organizational structure that was responsible for the company's great efficiencies and decades-long price cutting and product improving was seriously damaged. Standard Oil became much less efficient as a result, to the benefit of its less efficient rivals and to the detriment of consumers. Standard Oil's competitors, who with their behind-the-scenes lobbying were the main instigators of the federal prosecution, are (along with "muckraking" journalists like Ida Tarbell) the real villains in this story. They succeeded in using political entrepreneurship to hamstring a superior market entrepreneur, which in the end rendered the American petroleum industry less competitive.

The prosecution of Standard Oil was a watershed event for the American petroleum industry. It emboldened many in the industry to pay less and less attention to market entrepreneurship (capitalism) and more to political entrepreneurship (mercantilism) to profit.

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Vanderbilt Takes on the Monopolists

The battle between market and political entrepreneurs was not confined to the railroad and oil industries. Indeed, from the mid-nineteenth century onward, this sort of battle marked the development of much of American industry the steamship industry, the steel industry, and the auto industry, to name just a few.

For example, the great steamship entrepreneur Cornelius Vanderbilt competed with government-subsidized political entrepreneurs for much of his career. In fact, he got his start in business by competing illegally against a state-sanctioned steamship monopoly operated by Robert Fulton. In 1807, the New York state legislature had granted Fulton a legal, thirty-year monopoly on steamboat traffic in New York a classic example of mercantilism. In 1817, however, a young Cornelius Vanderbilt was hired by New Jersey businessman Thomas Gibbons to defy the monopoly and run steamboats in New York. Vanderbilt worked in direct competition with Fulton, charging lower rates as his boats raced from Elizabeth, New Jersey, to New York City; to underscore the challenge to Fulton's monopoly, Vanderbilt flew a flag on his boats that read NEW JERSEY MUST BE FREE. Slowly he was breaking down the Fulton monopoly, which the US Supreme Court finally ended in 1824, ruling in Gibbons v. Ogden that only the federal government, not the states, could regulate interstate trade under the Commerce Clause of the Constitution.

As the cost of steamboat traffic plummeted because of deregulation, the volume of traffic increased significantly and the industry took off. Vanderbilt became the leading market entrepreneur in the industry, but he would continue to face government-subsidized competitors. For example, steamship operator Edward K. Collins convinced Congress that it needed to subsidize the transatlantic steamship business to compete with the Europeans and to create a military fleet in case of war. In 1847 Congress awarded Collins $3 million, plus $385,000 per year. Sitting on these fat subsidies, Collins had little incentive to build his ships efficiently or to watch his costs once they were built. Instead of focusing on making his business more efficient, Collins spent lavishly on lobbying, including wining and dining President Millard Fillmore, his entire cabinet, and many congressmen.

Like James J. Hill in the railroad industry, Vanderbilt did not shy away from competing against his heavily subsidized rivals. Not surprisingly, these government-supported rivals ultimately could not keep up with Vanderbilt, in large part because the stifling regulations that were inevitably

attached to the government subsidies made these steamship lines remarkably inefficient. By 1858, Collins's line had become so inefficient that Congress ended his subsidy, and he promptly went bankrupt. He could not compete with Vanderbilt on an equal basis.

Never-Ending Government Lies About Markets by Thomas J. Dilorenzo

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The current economic crisis, which was instigated by the government's central bank and its boom-and-bust monetary policies, among other interventions, has once again been blamed on "too little regulation" and too much freedom.

Will Americans ever catch on to this biggest of all of government's Big Lies?

When the Pilgrims came to America, they nearly starved to death because they adopted communal agriculture. When William Bradford, leader of the Mayflower expedition, figured this out he reorganized the Massachusetts pilgrims in a regime of private property in land. The incentives created by private property promptly created a dramatic economic turnaround and the rest is history. Most history books ignore this reality, however, and blame the starvation crisis of the Pilgrims on corporate greed on the part of the Mayflower company.

After the American Revolution, it was imperative to build roads and canals so that commerce could expand and the economy thrive. George Washington's Treasury secretary, Alexander Hamilton, declared in his famous Report on Manufactures that private road and canal building would never succeed without government subsidies. President Thomas Jefferson's Treasury secretary, Albert Gallatin, concurred. Meanwhile, private capital markets and the private "turnpike" industry were busy financing thousands of miles of private roads without any governmental assistance. When government did intervene in early-American road building, it was a financial catastrophe almost everywhere, so much so that by 1860 only Missouri and Massachusetts had not amended their state constitutions to prohibit the use of tax dollars for "internal improvements."

Americans have been taught by their government-run schools that the post-1865 Industrial Revolution was bad for the working class, which made government regulation of work and wages, and the creation and prospering of labor unions necessary. In reality, people left the farms for factories because the latter offered far better wages and working conditions. Between 1860 and 1890, real wages increased by 50 percent in America, as myriad new products were invented, and made available to the common working person thanks to low-cost, mass production. It was capital investment that dramatically increased the productivity of labor, allowing hours worked to decline from an average of 61 hours per week in 1870 to 48 hours by 1929.

Higher worker productivity, fueled mostly by capital investment by entrepreneurs and private investors, also made it less necessary for families to force their children to work. Child labor was on the wane for decades before government got around to regulating or outlawing it. And when it did so it was to protect unionized labor from competition, not to protect children from harsh working conditions.

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The federal antitrust laws were passed beginning with the Sherman Antitrust Act of 1890 because the government informed Americans that industry was becoming "rampantly cartelized" or monopolized. In reality, prices everywhere were plummeting as new products and services were being invented everywhere. The entire period from 1865 to 1900 was a period of price deflation.

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All of the industries accused of being monopolies by Congress in 18891890 had been dropping their prices for at least a decade thanks to vigorous competition. And it was not a result of the idiotic theory of "predatory pricing." No sane businessperson would intentionally lose money for decades by pricing below cost with the hope that he would somehow frighten away all competition forevermore.

Everyone "knows" that President Herbert Hoover was a staunch advocate of laissez-faire economics, and it was his lack of interventionism that caused the Great Depression. This is the biggest governmental lie in the history of America. Hoover was a "progressive" (as today's socialists, also known as "Democrats," have taken to calling themselves).

Hoover strong-armed corporate executives into raising wages at a time when wages needed to adjust downward in the free market in order to minimize unemployment. He devoted 13% of the federal budget to a failed "stimulus" program of pork-barrel spending and imposed some of the biggest tax increases in history to fund it all. He was a protectionist who signed the notorious Smoot-Hawley Tariff Act, which increased the average tariff rate to nearly 60 percent and spawned a worldwide trade war that shrunk world trade by two-thirds in three years.

He cartelized the agricultural industry with "farm boards" that began the insane practice of paying farmers for not growing crops or raising livestock. He pioneered the politicization of capital markets by creating the Reconstruction Finance Corporation. And he ranted and raved against "greedy capitalists" while launching numerous government "investigations" of investors and the stock market. FDR's top domestic advisor, Rexford Tugwell, said that his fellow New Dealers "owed much to Hoover," who began many of the policies that they simply extended.

Every time the price of gasoline goes up significantly, Congress convenes a Nuremburg Trial style inquisition of oil-company executives. This practice began in the 1970s when the government's own foolish price controls on petroleum products caused massive shortages, and it needed someone to blame. Oil company executives are never praised when gasoline prices fall, as they have in the past year from over $4/gallon to under $2/gallon in many parts of the United States.

Most recently, the current economic crisis is said to be caused by the "excesses" of economic freedom and "too little regulation" of the economy, especially financial markets. This is said by the president and numerous other politicians, with straight faces, despite the facts that there are a dozen executive-branch cabinet departments, over 100 federal agencies, more than 85,000 pages in the Federal Register, and dozens of state and local government agencies that regulate, regiment, tax, and control every aspect of every business in America, and have been doing so for decades.

Laissez-faire run amok in financial markets is said to be a cause of the current crisis. But the Fed alone a secret government organization that is accountable to no one and which has never been audited performs hundreds of regulatory functions, in addition to recklessly manipulating the money supply. And it is just one of numerous financial regulatory agencies (the SEC, Comptroller of the Currency, Office of Thrift Supervision, FDIC, and numerous state regulators also exist). In a Fed publication entitled "The Federal Reserve System: Purposes and Functions," it is explained that "The Federal Reserve has supervisory and regulatory authority over a wide range of financial institutions and activities." That's the understatement of the century. Among the Fed's functions are the regulation of

* Bank holding companies
* State-chartered banks
* Foreign branches of member banks
* Edge and agreement corporations
* US state-licensed branches, agencies, and representative offices of foreign banks

* Nonbanking activities of foreign banks
* National banks (with the Comptroller of the Currency)
* Savings banks (with the Office of Thrift Supervision)
* Nonbank subsidiaries of bank holding companies
* Thrift holding companies
* Financial reporting
* Accounting policies of banks
* Business "continuity" in case of an economic emergency
* Consumer-protection laws
* Securities dealings of banks
* Information technology used by banks
* Foreign investments of banks
* Foreign lending by banks
* Branch banking
* Bank mergers and acquisitions
* Who may own a bank
* Capital "adequacy standards"
* Extensions of credit for the purchase of securities
* Equal-opportunity lending
* Mortgage disclosure information
* Reserve requirements
* Electronic-funds transfers
* Interbank liabilities
* Community Reinvestment Act subprime lending requirements
* All international banking operations
* Consumer leasing
* Privacy of consumer financial information
* Payments on demand deposits
* "Fair credit" reporting
* Transactions between member banks and their affiliates
* Truth in lending
* Truth in savings

That's a pretty comprehensive list, the result of 96 years of bureaucratic empire building by Fed bureaucrats. It gives the lie to the notion that there has been "too little regulation" of financial markets. Anyone who makes such an argument is either ignorant of the truth or is lying.

Bank Panics

Bank panics can be understood very easily, and bank panics can occur on a free market. All that is required is an artificial expansion of the money supply. Fractional reserve banking allows for this artificial expansion.

Lets say you have a society where silver coins are used to buy and sell things. Then a bank opens up, and the bank managers say, "deposit your silver in our bank, and we'll give you interest." In exchange the depositor has a deposit receipt. This deposit receipt can then be exchanged for goods and services, because anyone who gets the deposit receipt can take it to the bank and get silver coins for it.

The bank then loans out the silver coins to start-up firms in an attempt to earn money from it. But see now you have a problem, because not only are the deposit receipts floating around, but so are the silver coins.

Lets say the bank loans out 50% of the silver coins that were deposited, and keeps the other 50% in reserve. Thus the money supply is increased by 50%: All of the new deposit receipts are being

used as silver b/c it is perceived that they can all be redeemed for silver, and 50% of the deposited silver coins. 100% (deposit receipts) + 50% (the loaned out silver coins).

This will eventually lead to inflation, but not right away. And so the bank will make loans for capital at pre-inflationary prices. But that capital would not have been bought without the artificial expansion of the money supply!

But eventually prices do rise as a result of expanding the money supply (more money chasing the same number of goods). When this happens, the capital that was bought with the funny-money is very likely to be unprofitable.

In simpler terms: expanding the money supply leads to overinvestment. Investments that appear profitable at first. But then inflation kicks in as a result of expanding the money supply, and those investments that occurred only because of the artificial expansion of the money supply will probably fail. When this happens, it is called a "recession".

The bank panics were a result of banks artificially expanding the money supply, leading to booms, and then then recessions. If people are stupid enough to agree to fractional reserve banking, then the business cycle will occur on a free market.

But on a free market these panics are limited because nobody is forced to accept the notes of any bank. There are no "legal tender laws", and so if a bank's receipts are perceived to be backed by nothing, there will quickly be a bank run.

What legal tender laws allow is for the banks and the Federal Reserve to work together and expand the money supply. But because of legal tender laws, the Fed can just print off as many dollars as it needs. On a free market, a bank run destroys a bank, and the depositors may or may not get back everything they put in, and this ends the inflationary boom and corrects it. It is painful to be true - stupidity is painful.

But the Fed can prevent bank failures by just giving them a bunch of cash, or loaning cash to the banks a 0%. And so the malinvestments persist, and resources become disintegrated and the standard of living falls.

Normally, unprofitable firms go out of business, because they are wasting resources on things that could be used for what people want on things that people don't want. But the federal reserve, by expanding the money supply and bailing out unprofitable firms, sustains the production of things that people don't want.

The effect of course is a transfer of resources from you to the bailed-out firms. Multibillion dollar bailouts will be paid in the form of inflation. Everyone pays those billions in terms of inflation, (including the bailed-out business), but the bailed-out business gets all the benefits from those billions.

The State Program Created and Sustained by the State Called The Federal Reserve

The Federal Reserve was established by the Federal Reserve Act of 1913, which was an act of congress, which is an arm of the state. Legal Tender Laws require firms to accept dollars for all debts, and these are enforced by the state.

The Federal Reserve "is not 'owned' by anyone and is 'not a private, profit-making institution'. Instead, it is an independent entity within the government, having both public purposes and private aspects." - according to the "Board of Governors".

The Federal Reserve exists because of the state. It would not exist without a state. It is not a

private entity. The Fed is allowed to print money that you are forced to accept (the Fed doesn't actually print it, the Department of the Treasury does at the behest of the Fed, which makes sense because the Federal Reserve is an entity within the state created by and supported by the state and functions as an arm of the state and is not a private entity). This money is backed by nothing, but is used because of state-made and state-enforced legal tender laws.

The Federal Reserve was lobbied for by Rockefellers and the Morgans. David Rockefeller owned Chase National Bank, which is now called JP Morgan Chase. Certain banks are allowed to borrow from the fed at the discount rate, which as of this writing is between 0% and 0.25%. These banks then loan it out at a rate higher than that.

There are plenty of other folks who do a great job dissecting the origin and exploitation of the Federal Reserve, and only Keynesian mystics and ignoramuses support it anymore.

Keynesian Economics

Why is there a financial crisis today? Do people not want goods and services? Are people not willing to work? Are there no products being invented?

Keynesians believe that people become skittish on a market, and that their demand for cash holding rises. This then results in people spending less, and so firms can't make much money, and so they go out of business, which then results in less people having money to buy things, which causes more firms to go out of business, et cetera.

This is why Keynesians think it is important to stimulate "aggregate demand", get people buying things so firms can be profitable and pay their workers.

If we remove money from the equation and recognize that people still want things and still produce things, there should be little problem. Lets say that people in general start hoarding money - whatever the money is: gold, silver, platinum, pine cones. People are spending less money, but are still willing to work and produce things.

What ends up happening is that firms see their revenues dropping, but the employees still are willing to produce things. So to remain competitive, firms have to lower wages. But because firms across the economy are also lowering wages, the firms will also have to lower prices.

This is a simple deduction: the money supply has contracted, but the willingness of people to produce things has not. So the price of things produced has to fall, as do wages.

Firms would have to coordinate this lowering of prices and wages at all stages of the supply lines. And if it cannot, then it will fail and the market share (and probably most of it's infrastructure) will be taken over by a firm that can coordinate.

The notion that economic growth depends on consumption is on it's face idiotic, though when analyzed more deeply, appears idiotic.

Lets say you're going on a camping trip. Would you like to take with you some people who can produce lots of things but don't consume much, or people who consume lots of things but don't produce much? Certainly the latter has greater aggregate demand. Perhaps this is why Keynesian Economics is considered "counter-intuitive", because it is counter-factual.

The "Liquidity Trap"

Lets say you have a central bank that keeps expanding the money supply, leading to the artificial booms and then busts. If this keeps happening, eventually the structure of production will get so

screwed up that banks will simply stop lending until the recession passes. This is what happened in Japan, and is what is happening in the US today.

Banks are given lots of money, but they (correctly) perceive that the market is messed up. And so they just sit on the money until the structure of production reintegrates. When this happens, the banks will then release those funds, leading to another artificial boom and bust. And of course this is exactly what happened in Japan, and why following the 1991-1992 crash Japan had a series of boomlets and bustlets.

Now as of this writing, the US banks are sitting on gobs of cash and not lending it out. Congress wants to force the banks to lend it out. It would be interesting to see what happens, because if even the banksters can see the imprudence of lending their funny-money, you know things are really screwed up. But of course politicians are utterly impervious to facts and demand more disintegration.

This is exactly what the Keynesians want as well. The Keynesians believe that the problem is that everyone's preference for cash holding is going to virtually infinity. Now the Keynesians have a problem: why are people still spending some money on things like new clothes, cars, computers, etc.? The banks are sitting on gobs of cash because they know investments won't pay off, but why are consumers still spending as much as they are? Keynesians have to draw an arbitrary distinction between investment and consumption.

There is no "liquidity trap". I'd call it "the monetary wall": the point at which the market is so screwed up by Keynesian policies that even the banksters refuse to inflate.

Why is there a financial crisis? Because the financial system pursues Keynesian monetary policy.

Involuntary Unemployment

On a free market, there is no involuntary unemployment. There is frictional unemployment and voluntary unemployment.

Frictional unemployment is when people are moving and searching for jobs.

Involuntary unemployment is when a person is willing to work at a certain wage, and a employer is willing to pay that certain wage, but the employment does not occur for some reason. The worker is able to show up and do the labor, the employer is willing to pay the wage, but the employment does not occur. Now, on a free market, this is impossible, so we are told.

Because if you are willing to work for low enough, you will always find work on a free market. This may mean working for two cents an hour, but there are jobs you can choose to work at. If you are unwilling to work for 2 cents an hour, then you are voluntarily unemployed.

Keynes believed there was involuntary unemployment on a free market because in the year 1936 there was involuntary unemployment in the US and the UK.

The reason there was involuntary unemployment in the US was because of minimum wage laws which existed at the state level, and unions had the legal power to enforce minimum wages in certain industries. That is, it wasn't a free market, and I assume the same was true in the UK.

As a result, wages weren't allowed to fall. If wages were allowed to fall, then we could say that anyone not working was voluntarily unemployed, because there will always be someone willing to hire you for one cent an hour. If you don't want to work for one cent an hour, then you are choosing to be unemployed. (I don't think there would actually be any people working for one cent an hour on a free market, I'm just defining what involuntary unemployment is.)

Keynes however ignored the existence of minimum wage laws, and proceeded to make up a theory that stated that employment was determined by aggregate demand. He claimed that a rise in nominal wages on a free market would lead to a rise in consumption, but not by as much as the rise in wages, and thus would lead to a downward spiral with firms laying off workers due to decreased consumption.

From page 26 of Keynes' The General Theory of Employment, Interest and Money:

"When employment increases, aggregate real income is increased. The psychology of the community is such that when aggregate real income is increased aggregate consumption is increased, but not by so much as income. Hence employers would make a loss if the whole of the increased employment were to be devoted to satisfying the increased demand for immediate consumption."

On page 28:

"The insufficiency of effective demand will inhibit the process of production in spite of the fact that the marginal product of labour still exceeds in value the marginal disutility of employment."

IOW, even if people are willing to work and people are willing to hire, and a wage is agreed upon, and it would be profitable to employ a person, employment won't occur. Remember, marginal product of labor can only come from a product, and this product only has value if it meets extant demand. Thus this statement is not only false in actuality (consumption doesn't determine employment), it is definitionally false.

But this is what Keynes is saying: even though people want to work and produce things, and work at low wages instead of no wages so that the firms they work for can earn a small profit, it won't happen because of insufficient consumption.

Henry Hazlitt, in his response to Keynes' theory was similarly in disbelief that such clearly and obviously false ideas could be so successful, but this makes sense when we recognize that Keynes' book was published in 1936 - right in the middle of what I refer to as "the age of the state", which lasted roughly from 1913 to 1948, and rationalized what states were already doing and blaming their manifest failure on the the little free market that remained. Keynes was nothing more than a court intellectual, and his book is poor in both form and content, and only became big because Keynes was so enthusiastic in his licking of the spittle and caked-on blood on the boot of the state.

The inverse of Keynes' notion that contraction of the money supply leads to a downward spiral is that an expansion of the money supply leads to an upward spiral. That is, when aggregate demand is stimulated, people spend more money and firms thus have more money, with which to pay workers and buy capital.

This has a multiplier effect according to Keynes, because if you give one person a dollar, he will spend part of it, giving it to someone. This someone will then spend part of it giving it to someone else, et cetera. Now people will hoard some of this money, leading to the downward spiral, and so the money supply needs to keep being expanded.

What they ignore is that the first person given the dollar in effect had a portion of society's extant resources transferred to him. Because lets assume there are 10 resources and 10 dollars, and each dollar is used to represent a resource. If Bob suddenly has 10 additional dollars poofed into existence, that increases the money supply by 100%: there are now 20 dollars instead of 10 dollars. But there are still only 10 resources, and so all that ends up happening is that Bob, with his 10 dollars, can now command half the extant economy.

Similarly, when you give people money to spend, all that does is make each individual dollar worth less, and in effect transfers resources to the people who were given the money (along with the disintegrative effects elucidated earlier). Thus the Bush-Obama bailouts simply amounted to a transfer of real resources from you to antisocial firms.

But if you really want to know about Keynesian Economics, I would recommend reading these two books side-by-side:

The The General Theory of Employment, Interest and Money by John Maynard Keynes:

http://www.scribd.com/doc/5858/Keynes-John-Maynard-General-Theory-of-Employment-1936

The Failure of the New Economics by Henry Hazlitt:

http://www.scribd.com/doc/10249437/Failure-of-the-New-Economics

Hazlitt goes through Keynes' book chapter-by-chapter, so you can read one chapter by Keynes, and then one chapter by Hazlitt, etc.

One last quote, and this I believe requires no editorialization

"If the Treasury were to fill old bottles with banknotes, bury them at suitable depths in disused coalmines which are then filled up to the surface with town rubbish, and leave it to private enterprise on well-tried principles of laissez-faire to dig the notes up again (the right to do so being obtained, of course, by tendering for leases of the note-bearing territory), there need be no more unemployment and, with the help of the repercussions, the real income of the community, and its capital wealth also, would probably become a good deal greater than it actually is. It would, indeed, be more sensible to build houses and the like; but if there are political and practical difficulties in the way of this, the above would be better than nothing." (p. 129)

Austrian vs. "Mainstream" Predictions

Even though Austrians don't consider prediction a proper test of an economic theory (to know why you should read up on Austrian Econ http://mises.org/austecon.asp), Austrians have been able to predict better than any of the "mainstream" schools: Keynesians, Neo-Keynesians, Post-Keynesians, Neo-Classicals, Public Choicers and Marxists. Of these, the Marxists have predicted better than any of the non-Austrian schools.

Of course there is the obvious story of Mises predicting the crash in 1929 and Keynes losing his personal fortune.

Also the Keynesians widely believed that following world war 2, unemployment would be a significant problem. Alvin Hansen, often referred to as the "American Keynes", claimed that, "When the war is over, Government cannot just disband the Army, close down munitions factories, stop building ships, and remove all economic controls."

Lowell Gallaway and Richard Vedder said it best in their presentation to the December 1995 Joint Economic Committee Study "The Impact of the Welfare State on the American Economy":

"Disaster did not occur as the Federal government did exactly what Alvin Hansen had said it could not do: It disbanded the army, closed the munitions factories, and stopped building ships. All that was left of Hansen's economic recommendations were the wartime controls. And they went by the board in mid-1946 simply because Truman would not accept any watering down of them and the Congress was unable to override his veto of legislation that would have done just that. Suddenly,

on July 1, 1946, all of Hansen's worst fears had been realized.

In the aftermath of the absence of substantial government intervention in the economy, there was a marked increase in price levels and a rise in unemployment. However, the unemployment rate increased only to 3.9 percent for 1946, stayed at the level in 1947, and averaged 3.8 percent in 1948. The feared immediate post-World War II depression had not materialized, despite federal government expenditures in 1948 being less than one-third as large as they were in 1944 and despite the disappearance of the wartime controls. None of the Keynesian predictions had been validated."

A response one hears from Keynesians is that consumer spending filled in the gap, and so it was still spending that drove the economy in 1946-48. Aside from the logical problem, the rise in consumer spending did not match the drop in gov't spending, i.e. total spending fell.

http://mises.org/story/1829#preface

"Keynesians and Friedmanites alike maintained that the gold bugs were dinosaurs. Whereas Mises and his followers held that gold was giving backing to paper money, both the Keynesian and Friedmanite wings of the Establishment maintained precisely the opposite: that it was sound and solid dollars that were giving value to gold. Gold, both groups asserted, was now worthless as a monetary metal. Cut dollars loose from their artificial connection to gold, they chorused in unison, and we will see that gold will fall to its non-monetary value, then estimated at approximately $6 an ounce.

There can be no genuine laboratory experiments in human affairs, but we came as close as we ever will in 1968, and still more definitively in 1971. Here were two firm and opposing sets of predictions: the Misesians, who stated that if the dollar and gold were cut loose, the price of gold in ever-more inflated dollars would zoom upward; and the massed economic Establishment, from Friedman to Samuelson, and even including such ex-Misesians as Fritz Machlup, maintaining that the price of gold would, if cut free, plummet from $35 to $6 an ounce.

...

Flouting all the predictions of the economic Establishment, there was no contest as between themselves and the Misesians: not once did the price of gold on the free market fall below $35. Indeed it kept rising steadily, and after 1971 it vaulted upward, far beyond the once seemingly absurdly high price of $70 an ounce.[3] Here was a clear-cut case where the Misesian forecasts were proven gloriously and spectacularly correct, while the Keynesian and Friedmanite predictions proved to be spectacularly wrong."

Paul Samuelson, a Keynesian economist who in my estimation was more important than Keynes, in 1973 predicted that the USSR would pass the US in per capita standard of living in 1990. In 1976 Samuelson said that, "It is a vulgar mistake to believe people in Eastern Europe are miserable".

In the 1985 edition of his textbook *Economics* Samuelson asked whether the Soviet political repression were worth the economic gains. This was, according to Samuelson, "one of the most profound dilemmas of human society".

In the 1989 edition he stated, "Contrary to what so many skeptics had earlier believed, the Soviet economy is proof that a socialist command economy can function and even thrive."

Ben Bernanke, Federal Reserve Chairman, MIT PhD said of Samuelson:

"Paul Samuelson was both a path-breaking and prolific economic theorist and one of the greatest teachers that economics has ever known."

During the housing boom which, in total alignment with the Austrian Theory of the Business Cycle came to a bust, Bernanke said:

7/1/05 – Interview with CNBC

"We've never had a decline in house prices on a nationwide basis. So, what I think what is more likely is that house prices will slow, maybe stabilize, might slow consumption spending a bit. I don't think it's gonna drive the economy too far from its full employment path, though."

10/20/05 – Testimony before the Joint Economic Committee

"House prices have risen by nearly 25 percent over the past two years. Although speculative activity has increased in some areas, at a national level these price increases largely reflect strong economic fundamentals."

11/15/05 - Nomination of ben s. bernanke, of new jersey, to be a member and chairman of the board of governors of the federal reserve system

"With respect to their safety, derivatives, for the most part, are traded among very sophisticated financial institutions and individuals who have considerable incentive to understand them and to use them properly. The Federal Reserve's responsibility is to make sure that the institutions it regulates have good systems and good procedures for ensuring that their derivatives portfolios are well-managed and do not create excessive risk in their institutions."

2/15/06 – Hearing before the Committee on Financial Services

"Housing markets are cooling a bit. Our expectation is that the decline in activity or the slowing in activity will be moderate, that house prices will probably continue to rise."

2/15/07 - Semiannual Monetary Policy Report to the Congress

"Despite the ongoing adjustments in the housing sector, overall economic prospects for households remain good. Household finances appear generally solid, and delinquency rates on most types of consumer loans and residential mortgages remain low."

3/28/07 - Testimony before the Joint Economic Committee

"At this juncture, however, the impact on the broader economy and financial markets of the problems in the subprime market seems likely to be contained. In particular, mortgages to prime borrowers and fixed-rate mortgages to all classes of borrowers continue to perform well, with low rates of delinquency."

5/17/07 - At the Federal Reserve Bank of Chicago's 43rd Annual Conference on Bank Structure and Competition

"All that said, given the fundamental factors in place that should support the demand for housing, we believe the effect of the troubles in the subprime sector on the broader housing market will likely be limited, and we do not expect significant spillovers from the subprime market to the rest of the economy or to the financial system. The vast majority of mortgages, including even subprime mortgages, continue to perform well. Past gains in house prices have left most homeowners with significant amounts of home equity, and growth in jobs and incomes should help keep the financial obligations of most households manageable."

8/31/07 - At the Federal Reserve Bank of Kansas City's Economic Symposium

"It is not the responsibility of the Federal Reserve–nor would it be appropriate–to protect lenders and investors from the consequences of their financial decisions."

1/10/08 - Q&A after speech

"The Federal Reserve is not currently forecasting a recession."

2/27/08 - Q&A after testimony to Senate Banking Committee

"I expect there will be some failures [referring to smaller regional banks]. Among the largest

banks, the capital ratios remain good and I don't anticipate any serious problems of that sort among the large, internationally active banks that make up a very substantial part of our banking system."

6/10/08 - Boston Federal Reserve's 52nd annual economic conference

"The risk that the economy has entered a substantial downturn appears to have diminished over the past month or so."

7/18/08 - Remarks to the House Financial Services Committee

"The GSEs are adequately capitalized. They are in no danger of failing."

These quotes were compiled from:

http://robvstate.com/2010/01/04/bernanke-quotes

It would be hilarious if this were not the dominant economic ideology at this point in history. Ben Bernanke is the chairman of the Federal Reserve, and I believe is the most powerful man on the planet.

Gatekeepers

What is wonderful about the internet is that gatekeepers are far less powerful. Anyone can start a website, and anyone can build a following. To a statist, this level of freedom would be terrifying as individuals would surely flock to the most deranged feel-good ideologies out there. And yet, that is not what is happening. What is happening is slowly freedom is winning out over tyranny. Now when coming into the internet, people take their pre-internet baggage with them. So we still have things like the alphabet soup news networks, the various times', the firms that formed cartels from state-delineation of the airwaves are still the most organized, but arguments against freedom are losing ground.

It may not seem that way at first because right now only the most obvious impositions on freedom are being opposed: drug laws, marriage laws, open wars, prisons. And this causes people to gravitate to the democrat party, which also supports a totalitarian web of taxations and controls (usually softened to "regulations").

But without the internet, would you have read this book?

The only place where gatekeepers have been able to maintain their grip fully is in academia. And the result is that "academia" has become a safe target. I can bash "academia" without much fear. And I think "academia" not only needs to be bashed, but it needs to be eliminated outright except for the work of scientists and engineers.

The reason being that a hierarchical advancement through "classes" implies objective knowledge. When you learn, you advance through higher levels of truth, and the people above you profess this truth to you. And this may be a proper system in engineering, but in anything that has political ramifications, this is a system ripe for abuse. And as a result, there are still marxists and Keynesians at universities.

Academia is just one fountain of information. Print, radio, books at the library, these are all other ways information is conveyed. Academia is not inherently superior, it is just more sheltered from criticism and more hierarchical. The result of the sheltering is that instead of refining theories in response to a free market of criticism, theories become more elaborate and make more overarching prescriptions. The result of the hierarchy is hubris, as professors debate their students who are self-selected to be relatively ignorant about the topic being discussed.

If you were to learn a politically charged topic like economics, would it make sense to have one

guy tell you what to believe, and then systematically grade you on how well you told him what he told you? Rest assured, he has all of the “credentials”, but these credentials all come from other people like him.

Court Intellectuals

Simply put, there is a large class of "intellectuals", people who think they are smart and whom others think are smart. However, these people cannot earn as much money from their intellectualizing on a free market as they would like.

The state is maintained primarily by belief. So what the state does is buy off the intellectuals by having state-funded (and consequently state-controlled) university systems. In some instances the universities are directly run by the state, but by taxing and then making funds and grants contingent on accordance with a state plan, can effectively control the nominally "private" universities.

These intellectuals, bought off by the state and recognizing that their "services" are generally not appreciated by free individuals, scorn freedom. Thus they claim that the masses wouldn't be able to have education, and the value knowledge bestows to society is of such a diffuse manner that it wouldn't come to pass on a free market because firms are interested "only interested in profit".

Now scientific research that provides value to people does and would occur on a free market, including basic research (which I give a superficial treatment of in a later section of this book and recommend the in-depth analysis of Terence Kealey whom I am indebted to).

I do not consider engineers to be court intellectuals. What research doesn't happen on a free market is mainly in the social "sciences", which I contend is on net a negative, because court intellectuals spin extremely intricate tails to support the state that have apparent plausibility even at depth.

They are court intellectuals and not court theologians because today people are too wise to believe in religious justifications for the state. However churches once did provide an ideological cloak for the state, and thus were bought off, which is why churches have special privileges and tax-exempt status, as do universities.

It has nothing to do with them being "public goods". The court intellectuals are secularized theologians, whose current stature exists because of the state and they know this, which is why they use their considerable intellectual prowess to concoct incredibly intricate lies about the state.

I discount all information that comes from “academic” sources. If someone has a PhD in political science, I will assume they are wrong unless they oppose democracy. That is an excellent litmus test for if someone is capable of AND knows how to think.

Another thing to keep in mind is that many people are treated as superior in schools; the best and the brightest, the sharpest and quickest in wit, and the teacher's favorites. They imbibe the notion that “they are the best”, and yet when they get out into the market and learn that they are not the best, there are two options:

1. That they're not really the best or
2. Something is wrong with the market

Is it not clear that the latter conclusion is an easier pill to swallow?

Also in school rooms, the intellectuals are rewarded and praised by the central authority. Outside of the school rooms, rewards are doled out spontaneously by the schoolmates. Here the

intellectuals don't do as well. It is not surprising then that the distribution of goods and rewards via a centralized distribution mechanism later strikes intellectuals as more appropriate than the "anarchy and chaos" of the marketplace.

I am not putting forth a "revenge of the nerds" scenario, as intellectuals don't necessarily do poorly outside of classrooms, it's just that they don't necessarily do any better than an average person, and so will on aggregate have a bais toward the centralized reward system.

This anti-freedom pro-centralization animus is then reinforced when the quick-witted "intellectuals" read materials which reinforce these ideas.

Another group, which I consider myself a part of, is the would-be intellectuals. That is people who constantly disagreed with the instructors, and hence out of lack of motivation and capriciousness of the teacher, didn't do as well as the "other" "intellectuals". I hypothesize these people learned to develop a bias against centralized planning and rewarding, and are disproportionately libertarian.

This is not a deterministic law, not all who did relatively well in the classrooms and did relatively poor outside of class are bound to become marxist. But it influences each individual, and manifests in differences over the millions.

Though we can generalize this principle: people don't like losing status. A school's criteria for status is different than the wider world's criteria for status. To the extent that individuals will lose status upon leaving school, is the extent to which they will resent the modes of society relative to the modes of the school.

And the more different the marketplace is from the school, the more the intellectuals will resent the marketplace. This explains why intellectuals prefer the more centrally planned structures of production in western europe to the United States and Austrialia.

Unfortunately, these people are perfectly suited to political debate, and are able to persuade many non-intellectuals (for example hollywood types). The only class of people who can stand against the intellectuals are the would-be intellectuals, the rejected intellectuals who never developed a penchant for centralized authority because it never rewarded them. They experienced first hand how centralized authorities have the ability to institutionalize and deify falsehood.

The schools however are artificial. They come from a belief in the state which makes them mandatory, and are parasites off of the productive world. The productive world does not need state education camps, but the education camps need the productive world. The productive world preceded the education camps, just as it preceded the state.

Economists

Economists in academia tend democrat, roughly 3 to 1. I'm being vague in using the term "academia" and in the ratio, but I believe this vagueness is harmless and the point is true.

First off, republicans are not the same as free-market. Lets leave that at that.

Second off, an economist may understand the impact of a tax increase on "the rich", but still support it for "moral" reasons. Which is to say no reason at all, and is an example of how "moral" thinking is corrupting.

Third off, if someone has a major in economics, that just means they took the required classes and showed they understood what was taught to them. The concepts taught to them are complex,

which means that they probably have a high IQ.

And having dedicated years to study, they can probably spit off more facts, stats and concepts than someone who spent those years engaging in productive labor. The only real resistance comes from the Austrians, who lack state-sactioned cartel and have to fight with what they can cobble together from voluntary donations and purchases.

What should be telling is that many economists, all with PhDs, nevertheless disagree on proper economic policy. This means that most economists are wrong.

Capitalist Messiah

Man's natural state is poverty. The way man climbed out of this was through the buildup of capital. Capital being that which produces consumer goods and machinery that multiplies the capacity of labor. And the only way the capital that makes life better could be found is if free exchange is allowed, and the only way the capitalist would seek out these labor-multiplying devices is if he can earn profit.

The barbarian seizes the resources. He doesn't create labor-saving devices. He may be able to conjure military devices, but even then he is typically reliant on the technology of some civilization he conquered.

The barbarian doesn't understand how capital is built up, as that requires abstract thought, and often times the barbarian can't even use language properly. This is why militarists tended to support a large welfare state. Neoconservatives and democrats in the US, the communists in the USSR, Bismarck and Hitler in Germany instituted a welfare state, Napoleon in France, and of course the muslims.

These barbarians don't understand how capital is built up, that is the essence of the calibrated emergence of civilization. Keynes was a barbarian of the first order, in that he spun some tall-tales justifying barbarism - the disintegration from the structure of production.

And people who don't understand how capital is built up have no respect for it. And when a barbarian comes into control of large amounts of capital via the state - such as all "presidents" of the united states are - the result is always disaster to the extent that they use that capital.

To oppose the capitalist is to oppose civilization.

The Fear of Directly Accountable Services

If a coffee shop provides lousy service, what is your most likely course of action? Is it to have protests, demand democratic accountability, and try to reform the coffee shop? No, that is stupid for many reasons. You go to another coffee shop that will provide decent service. The idea of state provision of coffee is ridiculous.

We all know that cafeteria food in state schools is not the best stuff in the world, but the reason it is not worse than it is is because the food production is contracted out, and there is a market of food production which prices can be compared too.

Similar to the Soviet Union being able to plan a quasi-functional economy because they could model off of the west, figure out the prices of things in various other places, and make estimates about what and how much should be produced given the situation in the USSR. Without other relatively free markets to compare to, the USSR would have been in complete calculational chaos.

And so state cafeteria food is functional in the same way the USSR was functional, because it has

a free market to compare to. In the provision of law and police services, there is no free market to compare to, and so there is much more calculational chaos.

Which is why the "legal system" (a more appropriate name would be the legislation system as it doesn't enforce the law of the land, but the legislation that pretends to be the law) in the US is "broken". You can't easily purchase the legal or police services from someone else in the same way you can purchase different coffee services.

Immigration and emigration restrictions simply allow the state legal systems to cartelize further (they already have geographic monopolies), which is why they are so abusive: there is no competition. There are elections, but the problems of elections are manifold.

Because a person is forced to accept state "law", the state "legal" system is not directly accountable. It doesn't have to satisfy customers. Same with the the FDA and various "regulation" agencies. In democracy, we could say they are indirectly accountable.

The indirect accountability of elections is rarely accountability at all. Lets assume direct democracy for simplicity. First, voters disagree. And so if a state program satisfied 51% but royally pissed off the other 49%, that state program would continue to get 100% funding. On a free market, that firm would only get 51% funding assuming the voters are saying with their votes that they are willing to pay for the service.

Though this is not always true which brings to us to the second problem: voting yourself other people's money. This is theft.

In theory, if 50.00000001% of the population is perfectly coordinated in a direct democracy, they can vote themselves the entire incomes of the remaining 49.99999999%. Coordination is never this great, nor is the malice of the majority so savage, but majorities of 60% can realistically coordinate to fleece the other 40%.

And third, people, in the main, are stupid. It took virtually half the planet to be locked under communism, a failure stretching, contiguously, from Berlin to Shanghai, for people to say, "okay, I guess communism doesn't work". And immediately social democracy was leaped on as the next best thing, and virtually everyone today is a social democrat: they believe in voting on laws or representatives of laws, and are for some welfare. People learned generally that "communism isn't allowed" and so they went to the nearest best/worst thing.

Thus people vote for stupid things, and they vote for the enslavement of each other and then are baffled as to why their lives won't start.

Given that state franchises are involuntary, and that what they force you to do is at the whim of millions of strangers who don't know you and perhaps even harbor malice toward you, what could possibly go right with such a system? And are the unparalleled failures of state programs and state horrors and megadeaths not manifest?

But it's really two things. First, corporate rent-seeking is known, and it is known that corporations are made up of people who respond to incentives. Second, people know state law and can get by with state law, they don't know how emergent law would work (ignoring that very few of their interactions with anyone is governed by state "law"). It's fear of change, and it must simply be overcome.

Change is coming, and rather significant change. It can come in the form of a debt-slave nation, hyperinflation and plummeting standards of living, or in the form of a wrenching transition to radical freedom. Any movement that does not oppose the state is not significant, it's not a movement at all.

Changing the heads of state or rearranging the directions the guns point does not overcome the basic calculation problem. It is not movement, but the spinning of wheels. All statist reforms are mere "revolutions" that fling out some crap but remain in the ditch.

Sundries

Free To Use

If a state agency taxes you for $100 for road A, they can then make road A "free to use". That is, you have already paid the tax, and it won't cost you anymore to use road A. Let's say road A provides you 10 utils of satisfaction.

If a private company wants to make a better road, they will have to provide happy points above and beyond what the state provides. So lets say road B costs $100 and provides 15 utils. You will still use road A. Why?

Because road A, the state road, costs $0 for you to use. Road B costs $100 for you to use, even though they both cost the same amount of money to maintain. You are forced to pay for road A whether you use it or not, and so the use of any private road will be tacked onto that.

This is how a state program can beat out private alternatives. It doesn't have to be better than the private services. It just has to be better as a "free" service than the private service is as a pay service.

I used roads as the example, but schools, welfare, police, defense, medical services, are all crowded out by the state making these things - at least partially - free to use.

And so a state provision of a service will be sold saying, "oh, but you can still use a private service, we are just providing a public 'option'". It's always as "optional" as state roads.

Poverty and Welfare

Before getting into the private provision of welfare services, let me first state that this is the last category of state program that needs to be eliminated. One should introduce a functional free market, with a functional price system and profits and losses where firms are sensitized to their misallocation of resources, before we even begin to discuss cuts in benefits for those of diminished economic means.

To the "man of the left" who fears the removal of welfare services within the current environment of capitalist kleptocracy, I hear you. The elimination of welfare is one of the last, if not the last, state program of my list of programs to be removed. And this is not a minority sentiment among anti-statists.

The reason being that in a free market goods become cheaper as capital is built up in response to real demand and thus leads to even more build-up of capital, and production is calibrated to demand, and goods become cheaper and labor in higher and higher demand by firms and capitalists.

That is indeed a nice theory one may say, but perhaps I should recall the Economic Opportunity Act of 1964. Following the passage of this act in August of 1964 and I assume its implementation on October 1 1964, poverty, as defined by Mollie Orshansky, went from 19% in March of 1965 to 17.3% in March of 1966, to 14.7% in March of 1967, to 12.8% in March of 1969, and to 11.1% in March of 1974. This is a reduction of 6.2% in the span of 8 years to 7.9% in 9 years depending on how one measures 5 months of the program's implementation.

I'll stop leading you, here's a list of poverty rate by year according to the US Census Bureau: http://www.census.gov/hhes/www/poverty/histpov/hstpov2.html

Note that the Orshansky criteria is absolute, not relative.

Definition of poverty here:
http://www.census.gov/acs/www/Downloads/2007/usedata/Subject_Definitions.pdf

Year	Rate	Change from previous year
1959	22.4	
1960	22.2	-.2
1961	21.9	-.3
1962	21	-.9
1963	19.5	-1.5
1964	19	-.5
1965	17.3	-1.7
1966	14.7	-1.6
1967	14.2	-.5
1968	12.8	-1.4
1969	12.1	-.7
1970	12.6	+.5
1971	12.5	-.1
1972	11.9	-.6
1973	11.1	-.8

Poverty was not measured before 1959. The data is reported as of March of the following year. So the poverty rate in 1959 is actually reported in March of 1960.

If one is confused, I will just say this: the standard of living in the US had been improving for centuries, and "poverty" is arbitrarily defined. The Economic Opportunity Act designed to create Lyndon Johnson's "great society" was enacted in the 5th year of a 14 year period of great reduction in poverty. Or one could say after 3.4% of a 9.6% poverty reduction.

And looking at the Economic Opportunity Act of 1964 and 1965, we see that is made up of 15 programs:

The Job Corps - Provides free work training for people between the ages of 16 and 21. People who entered this program did not find jobs at a higher rate than those who did not join the program, and those who completed the program did not get jobs at any higher rate than those who started but didn't finish, and those who completed were no more likely to get a job in the field they were trained in than those who did not start or complete the program at all.

Neighborhood Youth Corps - Identical to the Job Corps except targeted at more impoverished neighborhoods.

Work Study - Grants to colleges to employ low-income students on campus to help defray college costs. This is a simple misallocation of resources, because if the student is worth being educated, he will receive a free ride. Most kids simply aren't worth educating for so many years, which is why the colleges are propped up with the funds of the state and misguided altruists.

Urban and Rural Community Action - Grants for nonprofit charity programs. More resource misallocation.

Adult Basic Education - Similar to the Job Corps except for people 18 and older. These

programs have worked better than the other training programs.

Voluntary Assistance for Needy Children - establishes information and coordination centers for people to help take care of need children.

Loans to Rural Families - Sweetheart loans to help farmers maintain an unsustainable way of life.

Assistance for Migrant Agricultural Employees - Various programs that make becoming a migrant agricultural worker more attractive, which attracts more workers and results in the employer not having to pay workers as much (because these state programs function as an income subsidy paid for by everyone else).

Employment and Investment Incentives - Sweetheart loans to small businesses which apparently can't get a loan from a bank or just want a lower interest rate. The result is a misallocation of resources away from firms that can pay off loans at the real (emergent) interest rate and toward startups that can pay off the artificial government interest rate. This is a perversion of the structure of production, though it was a counterbalance to the much greater perversion that big business had achieved through lobbying agents of the state.

Work Experience - Paid people to receive training in experimental social programs. Similar to the Job Corps, only more experimenting.

Volunteers in Service to America - Recruits and trains people on the public dole and refers them to private nonprofit organizations. In effect a subsidy for private non-profits, though with significant waste as if these private nonprofits needed some central recruiting agency they would have paid to be a part of some service like that. It would have been better to just give these programs money.
In 1965, 4 more programs were enacted:

Headstart - Provides education, health and "social" services for poor people with kids. It makes raising kids easier, and thus acts as an inefficient subsidy for poor people's reproduction. A subsidy-in-kind as opposed to in money.

Upward bound - Work-study program for poor high school kids to help them get into college. Another inefficient subsidy that tries to get kids into college who have no business receiving 16 years of education.

Neighborhood Legal Services - Free legal advice for poor people. That is, the government attempting to solve a problem it created.

Foster Grandparents - Free training for old people to take care of their grandchildren. I really don't know what one can even say about that.

Does anyone believe these programs had anything to do with a 6.9% decline in poverty over 9 years? Or better yet the 1.7% decline in one year? Most of these programs take a significant amount of time just to go through. By the time these programs were around long enough to have any impact the bulk of the gains in reducing poverty had already been achieved. 5.2% of the gains were achieved by 1968.

And much to the chagrin of the education-fetishizers, long-term benefits from the education programs have not materialized.

These programs have largely been rolled back, despite their claims that they could "get at the root cause of poverty" and not just keep the poor on life support. A few of them are still managed

by the Department of Health and Human Services. Looking at the stagnant poverty rate since 1973, clearly they could not get at the root cause.

And why would we expect them to? These are state programs, and have all of the problems of a state program in that they are desensitized. Not only are these programs managed by agents disconnected from the price system, but they are not even programs that came about on the free market in the first place.

For example law, police, defense, roads, schooling, all came about in response to demands on the free market and the state then granted itself a monopoly on these programs, or a near-monopoly.

That is why these programs are still quasi-functional. But the great society programs are literally just culled from thin air, which is to say the minds of sociologists.

But lets look at the big welfare programs in 2010:

Social Security $695 billion
Medicare / Medicaid / SCHIP $743 billion
Income Security $571 billion

This totals $2009 billion. That is enough to give 100 million people $20,000 a year.

If we look at the total receipts estimated for 2010, that is

$1061 billion in individual income taxes
$940 billion in social security taxes
$222 billion in corporate income taxes
$158 billion in all other taxes

This totals $2381 billion, and if $2 trillion goes to wealth transfers, that leaves $381 billion to run the rest of the government. $100 billion on "defense" would make the US military by far the largest on the planet, and $281 billion for the legal system and the administration of various bureaucracies.

Many of the owners of large corporations don't pay taxes at all. Their company just pays for everything, and that comes out of profit. The profit of course is taxed. Social security taxes, which account for almost as much as income taxes, are cut off at $106,000, so anyone who makes anything above that is not paying taxes.

The tax system is not nearly as "progressive" as many people think. What's more is that deficit spending leads to inflation (more dollars, same number of goods), which disproportionately hurts the poor. Why this is so is complicated, but prices rise before wages catch up when there is inflation, and the people who get the money first (the politically connected) benefit at the expense of everyone else, and everyone else tends to be poorer.

Pointing out the near-unqualified failure of welfare in the United States is nothing new and does not make a case for a stateless society, and I don't feel the need to trot out more overexposed statistics on welfare results.

The first thing to understand is that on a free market things become incredibly cheap. Nominal wages typically don't rise as much as the prices of everything falls, which makes sense given that firms become more productive as a result of competition and general hyper-sensitization.

So on a free market a poor person would need less to get by. How much less? That's difficult to say. Regulatory compliance cost firms economy wide about $1.37 trillion in 2005, which is 11% of

GDP, though there would certainly be some regulation and compliance on a free market as well. Also there would be no sales tax.

Without the American Medical Association and insane malpractice insurance costs, medical costs would fall considerably, and I will make that case in a later section.

Also the poor wouldn't be paying social security, and with no minimum wage anyone can get a job to at least partially offset the cost of whatever private welfare service one could get.

My estimation is that over the course of two years on a true free market, prices of all goods in the US would fall about 30%. I apologize for such vagueness, but there are so many unquantifiables as to require vagueness.

Unemployment would be virtually eliminated, as private charities would almost certainly demand the poor find jobs to receive benefits, even if that meant working for $2 / hr. This would not sustain the poor, but it would offset welfare costs and provide some production for the economy generally, and get people integrated.

Assuming in a modern economy it takes $1000 / month for a poor person to live today, a 30% reduction in prices would lead to a $700 / month requirement for sustenance. If the poor person can earn $300 / month in a below-living wage job, that cuts the charity requirement to $400 / month, and gives the poor person work experience to aid in climbing out of poverty.

In 2008, $307.65 billion was given to charity in the US. If each person living in poverty needs on average $400 / month and must find a way to cover the rest of their expenses, that is $4800 per year. Assuming no increase in charity giving in a zero-tax environment, that is enough to cover 64 million people.

The specifics of distribution are to be worked out by the agencies involved. Welfare is not an impossibly large or difficult task for a free market to cope with. And if we were to assume an increase in charity in a zero-tax environment, the problem would become that much easier to solve.

I am genuinely puzzled by how the state could mismanage welfare so badly. It's almost as if there is some coordinated effort to not solve the problem. And if the problem were solved, there would be no need for welfare bureaus, and so the bureaucrats would be out of a job.

Milton Friedman may have been onto something when he said, "If the government managed the Sahara desert, there would be a shortage of sand".

The Roads

Roads. When someone advocates a stateless society, a question that pops into people's minds is "but who will build the roads". Now this is an incredibly simple problem. Private roads exist today, and they work fine.

Private highways work with tolls. No this doesn't mean stopping, putting coins in a slot, and driving on. There's a bunch of ways to do it. Perhaps a sticker you put on your car, or perhaps a card that scans as soon as you enter the road. An example of this would be the fasktrak service in southern California.

The advantage of private highways is that they are built based on where the builders think traffic will be, not based on who is able to secure enough state funds for his district. In fact, that's one reason why private roads exist today: to fill in the gaps that central planning inevitably leaves. And that private roads work despite state roads being free to use, that is you don't stop having to

pay taxes for public roads just because you paid for a private road, is testament to the degree that the state mismanages resources.

Also by being pay to use, private highways tend to be less overused. This is becoming less and less of an advantage as state roads are becoming pay to use. Municipalities actually make people pay to use what they call public roads, even though those roads were built with tax dollars. What this basically amounts to is the state seizing money for a road from you, and then making you pay to use it. Expect to see more of this as the state continues to fail.

Another advantage of private highways is that if it's a boondoggle, those who chose to invest in that road take the loss, not the taxpayers. And if it is a statist boondoggle it is just added onto the debt, that results in inflation, which hurts the poor the most as the poor spend a greater percentage of their income on consumer goods and have less non-monetary assets.

Now what about the poor? Well first off tolls really aren't that expensive. Today, now this is July 15 2009 and the hyperinflation hasn't kicked in yet, here are some rates for toll roads in southern California.

https://www.thetollroads.com/home/maps.htm

It's really not that expensive. What's more is that in a stateless society, if an employer wants workers, he's going to have to factor in the cost of the roads, and since he's no longer paying any taxes, he has the money for those roads. It's not hard.

As for private roads on the smaller scale, that's not really an issue that one can address explicitly. First off, private roads around businesses work just fine. Agents of the state, posing as "regulators" take their cut. And yes I know towing laws are state-enforced laws, but in a free market you would still have private towing companies and towing cars, it just wouldn't have state sanction. And the towing companies would be much better armed. At least I would be.

There would be a lot for businesses to work out, but remember each person is making the adjustments he needs to make. It's not like a single central planner needs to understand how all of these things work.

Roads for neighborhoods, in my estimation, will more closely mimic the housing quality. That is, crappy neighborhoods will have even crappier roads and rich neighborhoods will have even nicer roads. One may say this is an injustice, I see it more like poor people having better things to spend money on. Remember the 3rd world's structure of production?

Most neighborhood roads are free to use, and so it's possible that a neighborhood road could become, as a result of being situated between two main arteries, extremely popular. There are many ways this can be dealt with. The neighborhood may decide to erect a toll booth with retractable spikes, or just retractable spikes, or perhaps one end of the road could be walled off, making the street a dead end. Remember, these people don't need a license and there's no state to sue them.

Now my prediction would be that roads will be used a lot less. State roads function as a subsidy for the automobile industry, which is well politically connected. And so the initial building of all of these roads was not so much a reflection of genuine demand, but of corporatism. Because of this I predict more rail being built and used in a stateless society. And it would be proper, a reflection of genuine desire, not some forced project and / or a play thing of the political class.

There are so many headaches with the roads that people assume that only an agency as large as the state can overcome this problem, when it is the state management of roads that causes these headaches in the first place. Because as a monopoly they don't have any incentive to do that good

of a job, and being free to use they are overused. The first roads were private. Roads are no problem in a stateless society, and can really be a lot better. In a stateless society, you could look forward to less and less crowded roads.

First Post on Education

I was reading the college catalog for a local area junior college. As I read through it I realized that they offered high school classes. I was very curious about this so I called the college and asked some advisor lady if you could go to high school through the junior college. She said no, that you could only take classes at the JC that you honestly could not get into at high school.

I'm not sure if this is correct, but this probably isn't too far off. You need to take 4 years of English and History, 2 years of math and electives, and 3 years of science. Now what you could do is take English, history and science in semester 1, English during January, English history and math in semester 2, English and history during the summer, history, science and an elective during semester 3, an elective during the next January, and science and math during semester 4, and you will be done with HS in 2 years and having in all likelihood gone through a lot less of the humiliating crap.

Now why would the state education system want everyone to spend 4 years in school instead of 2? Well just keep in mind that organizations will invariably fight to survive and grow. When there is no state, this means making stuff people will buy. When there is a state, this means lobbying the state to get subsidy, grants of monopoly privilege, or just outright control.

But the broader point is that any reform of the education system will be exceedingly difficult because the people who make a living are wedded to the current system, and they will use whatever state apparatuses, be they local, state or federal laws to fight any effort to allow choice or efficiency. They will go to the wall to maintain their parasitical positions and spin tall tales about it being good for the children.

The average tuition for private schools is about $3,116 per year, vs. $6,587 for state schools. Now private schools are of course hog-tied to state curriculums so while you see leaps in economic efficiency, there's only so much you can do to make the existing 4-year system better. So it is really not that much of a leap at all to assume that a pure private education system would be less than 1/4 the cost of the state school system given that it would only take 2 years.

Also keep in mind that you still pay taxes even if you send your child to a private school, and so private schools tend toward more upper-class parents than state schools, and thus if you did away with state schools completely you would most likely see the per-year private school tuition be less than $3,116, along with school only being 2 years long.

Because the students going to private schools now are from parents willing to spend more money on schooling, and this comes from some mixture of valuing schooling and having the money to spend on schooling. If all students were going to private schools, the private schools would be catering to a broader demographic.

Now the private schools are actually cheaper and better than the state schools, but it's more expensive to send your kids to the private schools because you are paying for the state schools even if you aren't using them. The state schools are free to use.

And of course the arguments that apply to high school also apply to college. Without a state, it is my opinion that 4-year colleges would no longer be the norm but an exception for the very wealthy.

This is because only Universities with state funding can compete, and thus the state can decide to

pull accreditation and funding from any school it wants. If a University just up and said, "forget all this GE bullshit, we'll get you a degree in 2 years" they would immediately lose their state funding and of course half of their staff would be fired and they wouldn't receive as much in tuition, although they certainly could charge more per year.

Even if they could pull it off, why would they want to? So that their staff and student body could be half the size? So they could have smaller profit margins as a result of no state funding? They have it good with their cozy state protections.

But just imagine, kids will be done with high school by age 16, and then will have two years to either go to college or get ready for college, and if they go to college will only have to go for two years. The smartest could routinely graduate college by 17.

Which brings us to the next topic: the underclass. Given that a pure private high school experience will cost less than a quarter of the public experience, it's nearly impossible that the underclass will on net suffer. And the reason is that poor people are paying for public education anyway even if they pay zero taxes. Because their employer pays taxes, and the cost of schools gets taken out of the paycheck. Any tax increase results in a mixture of lower profits and lower wages. The employer will pay some of the tax with his profits, and some of it with wage cuts.

Even if the poor were somehow saddled with 100% of the cost of their schooling on a true free market, high school is now only 2 years and about $10,000 if you factor in miscellaneous expenses. Compared to the state system, the poor kid now has two years to earn $10,000 plus interest.

If he can do so, then the moment he has paid off the debt is the moment that the poor family has achieved all the net benefit that a state education would have provided, and probably more because now the kid has work experience and can earn higher wages because of it, and they probably receive some charity or financial aid and the fact that there are no school taxes means wages are higher. A new nexus of positive effects emerges.

Second Post on Education

Imagine a state in which everyone was given a golden toilet seat at age 18, paid for by tax dollars. If some libertarian whippersnapper started yammering about a stateless society, some statist may say, "but in a stateless 'society', if you could even call it that, who would provide everyone a golden toilet seat at age 18?"

The answer of course is that nobody would. And the fact is that any state program is, to an extent, just a golden toilet seat. And when folks blather about education in a stateless society, they are asking for something far more absurd than a golden toilet seat at age 18. They are asking for 12 years of compelled schooling, and the current "educational" system is based on the Prussian philosophy that children are bad and don't like to learn and have to be forced to learn.

The current model of having a teacher stand in front of the class and present lessons on some board is a throwback to when that was the most efficient way of teaching things. When you try to learn something, do you seek out "classes" in this style? Of course not, but when you want a degree that is what you do.

Technologically speaking, this is irrelevant. Lessons can be put in media format, tutoring rooms work just fine, and tests can be administered like the SAT to pass through the grades. That this would be orders of magnitude cheaper and solve so many headaches should be apparent.

And if a "student" can't be bothered to learn things, that's fine. The world needs ditch-diggers too. What's more is that educating stupid people results in stupid people thinking they're smart,

especially if they got better "grades" than the smart people. This leads to sanctimony and faith in official titles.

Anyway, when people ask how the current mode of schooling will be maintained in a stateless society, the answer is that it won't. And good riddance. I have no crystal ball, but in a stateless society I can see most people finishing schooling at age 14 to 16, and then getting a job or traveling or doing something worthwhile. Some people will want to become engineers, doctors, or some sort of professional, and they will then probably have to spend more time learning.

If someone wants the toxic "socializing" of "the high school experience", then they are free to pay ~$3,000 a year to send their kids to a gulag where their minds are systematically destroyed. I say ~$3,000 a semester because that's how much private schools cost on average in 2008, state schools cost around $6,000, but they are funded with tax dollars. Remember, that $3,000 is for the whole Prussian deal, with a building, a teacher at the front, and various activities.

What about the poor? Well first I think downloading free audio lessons from the internet is a lot cheaper than the financial cost of "free public education". And tutoring, which would be necessary for any significant depth of learning, would emerge on the market. Probably a bunch of former teachers would become tutors. We can see this with SAT tutoring, and I can see "tutoring classes" popping up, which aren't really classes or have perhaps brief lessons with most of the time spent answering questions.

Now, if a family is so destitute that they cannot afford this, yet their child demonstrates ability and desire to learn something, this is prime "scholarship" material.

I simply view this as a welfare issue: poor person needs money (in this case for education services), charity evaluates financial situation of poor person, then provides money. I am not interested in specific welfare services and view "medical service welfare" and "education service welfare" as statist inventions designed to create cartels and to justify state control of certain sectors of the economy. Just give the poor person the money and they'll spend it according to their subjective demands, not what a politician wants to subsidize in their name.

Welfare in Kind

When I advocate a free market in food and clothing production, people typically agree with me. When I advocate a free market in education, the immediate cries are “what about the poor!!??”

Now, in terms of food production, poor people get welfare money and use that to buy food.

But apparently in educational services, the educational service providers themselves have to directly give services to poor people. This would be like forcing McDonald's to provide free meals to poor people, and then reimbursing McDonalds for the expenses.

Forcing a specific industry – such as medical services and schooling – to provide free services to poor people, gives the state an excuse to further control that industry.

Currency

I encourage the reader to look into the liberty dollar. The liberty dollar is a barter note backed by silver. Which means that you can take your note back to the liberty dollar company and receive the stated amount of silver in return, or for federal reserve notes.

Goods and services haven't actually gotten much more expensive. An ounce of silver in 1970 could buy about as much as an ounce of silver today. It's just that federal reserve notes are worth less.

If one is worried about their liberty dollars not being accepted, just remember that they can be cashed in and the specified amount of silver can be sold. Also one can just buy actual silver liberty dollar coins and not have to worry about storage.

Currently about 100,000 people have placed orders for liberty dollars.

On November 15, 2007 the FBI and Secret Service (SS) conducted a raid on the liberty dollar office in Evansville and seized took all the gold, silver, platinum and almost two tons of Ron Paul Dollars. The raid was justified by charges of fraud and illegal activity. As of writing this on August 10, 2009, the trial has not concluded. I implore the reader to explore the matter further:

http://www.libertydollar.org/ld/legal/raid.htm
http://reason.com/blog/2007/11/16/your-liberty-dollar-raid-updat
http://en.wikipedia.org/wiki/Liberty_Dollar

The charges of fraud did not come from outraged consumers anymore than demands for "regulation" came from consumers.

Between the years 1837 and 1861 was what is considered to be the "free banking" era in the US. Over this period, there was an 11% decline in prices along with a 160% increase in the money supply, which works out to an annual deflation rate of .47%.

As long as one had the prescribed reserve ratio as outlined by the Michigan act of 1837, anyone could start a bank and lend out bank notes. Which were demand deposits on silver, gold, or whatever.

And if one didn't feel at ease with fractional reserve banking, they could always deposit in a full-reserve bank and probably have to pay a storage fee, or just make purchases with gold and silver directly.

Fractional Reserve Banking

Fractional reserve banking in this instance is where a bank takes lets say 10 ounces of gold and gives the depositor a demand deposit for 10 ounces of gold. The banker then keeps one ounce of gold, and loans out the other 9.

The banker can do this because he has found that he really only needs about 10% reserves to satisfy withdrawals, and 90% of all transactions are people just handing bank notes to each other. The bank then uses the return on these investments to cover the storage cost, give the depositor an interest payment, and make some money for itself.

Fractional reserve banking is unnecessary. If one wishes to see their wealth grow, they should invest in a mutual fund. If one wishes to store their wealth, they should buy many different types of precious metals. If one needs a medium of exchange, they should trade coins made of precious metals.

Fractional Reserve banking almost always fails eventually because the demand deposits don't represent real gold - 90% of the gold they are supposed to represent is already loaned out. And so the demand deposits are 90% fraudulent, and eventually people begin to recognize this fact, and some begin to withdraw their savings, then more, and more, until a bank run develops and the gig is up. The bank then has to call in the loans, liquidating the investments for what gold and silver they can salvage to give to the depositors.

And this increase in checkbook money also leads to inflation, because now not only do you have

90% of the deposited gold loaned out, but also 100% of the value of the deposited gold in the form of demand deposits, so you have fooled the market into thinking there is more gold than there really is.

This is a false signal which leads to overinvestment, a boom and a bust. Though not on anything approaching the damage that is done by state central banks such as the federal reserve.

At this time deposit insurance companies popped up - private FDICs. The difference is that these deposit insurance companies were paid for by the banks and depositors, NOT the population at large. Today, the FDIC is a bailout guarantee which means the state will bail out bad investments in a lousy bank, and the state gets its revenue from taxpayers.

Which is to say you will have to pay for the freely-chosen blunders of others. And if you don't you'll be thrown into prison, and if you resist that shot. Welcome to the dark ages. This is where "angry white man" comes from.

One will hear stories about this time period referring to "wildcat banking", and because fractional reserve banks are inherently fraudulent there were many bank runs. This is good, bad investments were being cleared out in the free market. Unfortunately, the population was apparently not smart enough to realize that fractional reserve banking was inherently insolvent and so continued to invest in fractional reserve banks, they would fail, and then they would invest in another one. Idiocy.

The free market solution would be to tell people to stop investing in fractional reserve banking, "stop sticking your hand in the fire".

Free banking ended during the civil war, and oh-so-predictably never came back. War is the health of the state.

Remember that money is just a medium of exchange designed to prevent people from having to find a double-coincidence of wants. Without an agreed upon medium of exchange, people would have to trade what they had for what they wanted with people who had what they wanted and wanted what they had.

For example, if you are a tomato grower and want pickles, then the only way you could get pickles without money is to find a pickle-growing tomato-wanter.

But what happens is that it is found that a lot of people like gold and silver, and can use it for things. So you decide that because so many others will trade goods for gold and silver, you will accept gold and silver in exchange for tomatoes. Not because you want gold and silver for their own sake, but because you know that others will exchange goods for those tokens.

And so that is all money is. It's not complicated or something that needs to be centrally planned. It is just another intersubjective consensus. And when the state is viewed as legitimate by the intersubjective consensus, then the state can require people to use pieces of paper they just printed, which leads to all of the problems stated earlier.

Safety and Health Regulations

There's a supermarket I frequent regularly, and they have a bathroom that is near the storage and loading area. As a regular user of the bathroom, which is open for customers but obviously intended for employees, I see the employees signing orders, loading things, moving them around at a fairly rapid rate. And so I suspect the product turnover at supermarkets is greater than most customers imagine.

And there's really no time to inspect the products being delivered with much thoroughness. A quick eyeballing of the shipment delivered and perhaps opening one randomly selected box is all that really can be done in this environment.
The companies that make the array of products at the supermarket are basically trusted. And when contaminated product is shipped, the producer will issue a recall.

This is because the producers of these products are dependent on trust. Sure there are inspectors and "regulations" pertaining to the production of supermarket food, but these do not prevent contaminated product from being shipped. No, the general quality of the food is regulated by the fact that these food producers want the supermarkets to keep buying their food.

And when one claims that agents of the state make sure our food is safe, I chuckle a little before realizing that this is not a benign fantasy.

Consumers are aware that when they buy food at the supermarket, they did not see that food produced. This is why "name-brand" products are more expensive. Consumers have heard horror stories in the past about meat conglomerates selling rancid meat, spurred on by that popular fiction novel "The Jungle", and so there is no shortage of consumer suspicion.

I recommend reading this article for a takedown of Upton Sinclair's fictional novel:

http://www.libertyunbound.com/archive/2006_08/reed-meat.html

Of Meat and Myth
By Mr. Lawrence W. Reed
http://www.mackinac.org/bio.aspx?ID=3

(Excerpted)

The Jungle was, first and foremost, a novel. It was intended to be a polemic, a diatribe, if you will, and not a well-researched and dispassionate documentary. Sinclair relied heavily on both his own imagination and on the hearsay of others. He did not even pretend to have actually witnessed the horrendous conditions he ascribed to Chicago packinghouses, nor to have verified them, nor to have derived them from any official records.

Sinclair hoped the book would ignite a powerful socialist movement on behalf of America's workers. The public's attention was directed instead to his fewer than a dozen pages of supposed descriptions of unsanitary conditions in the meat packing plants. "I aimed at the public's heart," he later wrote, "and by accident I hit it in the stomach."

Though his novelized and sensational accusations prompted later congressional investigations of the industry, the investigators themselves expressed skepticism of Sinclair's integrity and credibility as a source of information. President Theodore Roosevelt wrote of Sinclair in a letter to William Allen White in July 1906, "I have an utter contempt for him. He is hysterical, unbalanced, and untruthful. Three-fourths of the things he said were absolute falsehoods. For some of the remainder there was only a basis of truth."

Sinclair's fellow writer and philosophical intimate, Jack London, wrote this announcement of The Jungle, a promo that was approved by Sinclair himself:

"Dear Comrades: . . . The book we have been waiting for these many years! It will open countless ears that have been deaf to Socialism. It will make thousands of converts to our cause. It depicts what our country really is, the home of oppression and injustice, a nightmare of misery,

an inferno of suffering, a human hell, a jungle of wild beasts.

And take notice and remember, comrades, this book is straight proletarian. It is written by an intellectual proletarian, for the proletarian. It is to be published by a proletarian publishing house. It is to be read by the proletariat. What Uncle Tom's Cabin did for the black slaves The Jungle has a large chance to do for the white slaves of today."

The Jungle's fictitious characters tell of men falling into tanks in meat packing plants and being ground up with animal parts, then made into "Durham's Pure Leaf Lard." Historian Stewart H. Holbrook writes, "The grunts, the groans, the agonized squeals of animals being butchered, the rivers of blood, the steaming masses of intestines, the various stenches . . . were displayed along with the corruption of government inspectors" and, of course, the callous greed of the ruthless packers.

Most Americans would be surprised to know that government meat inspection did not begin in 1906. The inspectors Holbrook refers to as being mentioned in Sinclair's book were among hundreds employed by federal, state, and local governments for more than a decade. Indeed, Congressman E. D. Crumpacker of Indiana noted in testimony before the House Agriculture Committee in June 1906 that not even one of those officials "ever registered any complaint or (gave) any public information with respect to the manner of the slaughtering or preparation of meat or food products."

To Crumpacker and other contemporary skeptics, "Either the Government officials in Chicago (were) woefully derelict in their duty, or the situation over there (had been) outrageously over-stated to the country." If the packing plants were as bad as alleged in The Jungle, surely the government inspectors who never said so must be judged as guilty of neglect as the packers were of abuse.

Some two million visitors came to tour the stockyards and packinghouses of Chicago every year. Thousands of people worked in both. Why is it that it took a novel written by an anti-capitalist ideologue who spent but a few weeks there to unveil the real conditions to the American public?

All of the big Chicago packers combined accounted for less than 50 percent of the meat products produced in the United States; few if any charges were ever made against the sanitary conditions of the packinghouses of other cities. If the Chicago packers were guilty of anything like the terribly unsanitary conditions suggested by Sinclair, wouldn't they be foolishly exposing themselves to devastating losses of market share?

Historians with an ideological axe to grind against the market usually ignore an authoritative 1906 report of the Department of Agriculture's Bureau of Animal Husbandry. Its investigators provided a point-by-point refutation of the worst of Sinclair's allegations, some of which they labeled as "willful and deliberate misrepresentations of fact," "atrocious exaggeration," and "not at all characteristic."

Instead, some of these same historians dwell on the Neill-Reynolds Report of the same year because it at least tentatively supported Sinclair. It turns out that neither Neill nor Reynolds had any experience in the meat packing business and spent a grand total of two and one-half weeks in the spring of 1906 investigating and preparing what turned out to be a carelessly-written report with preconceived conclusions.

Gabriel Kolko, a socialist but nonetheless an historian with a respect for facts, dismisses Sinclair as a propagandist and assails Neill and Reynolds as "two inexperienced Washington bureaucrats who freely admitted they knew nothing" of the meat packing process. Their own subsequent testimony revealed that they had gone to Chicago with the intention of finding fault with industry practices so as to get a new inspection law passed.

As popular myth would have it, there were no government inspectors before Congress acted in response to The Jungle and the greedy meat packers fought federal inspection all the way. The truth is that not only did government inspection exist, but meat packers themselves supported it and were in the forefront of the effort to extend it!

When the sensational accusations of The Jungle became worldwide news, foreign purchases of American meat were cut in half and the meatpackers looked for new regulations to give their markets a calming sense of security. The only congressional hearings on what ultimately became the Meat Inspection Act of 1906 were held by Congressman James Wadsworth's Agriculture Committee between June 6 and 11.

A careful reading of the deliberations of the Wadsworth committee and the subsequent floor debate leads inexorably to one conclusion: Knowing that a new law would allay public fears fanned by The Jungle, bring smaller competitors under regulation, and put a newly-laundered government stamp of approval on their products, the major meat packers strongly endorsed the proposed act and only quibbled over who should pay for it.

In the end, Americans got a new federal meat inspection law. The big packers got the taxpayers to pick up the entire $3 million price tag for its implementation as well as new regulations on their smaller competitors, and another myth entered the annals of anti-market dogma.

To his credit, Upton Sinclair actually opposed the law because he saw it for what it really was: a boon for the big meat packers. Far from a crusading and objective truth-seeker, Sinclair was a fool and a sucker who ended up being used by the very industry he hated.

Consumer suspicion combined with belief in the state is why agents of the state are able to pose as people who will keep them safe. The irony is that the same consumer suspicion of food producers that would ensure that food producers don't screw up a whole lot on a free market is the passion used to ram through "regulation" legislation and the false security of state approval.

If one is suspicious that the big supermarket food producers may try to save money by cutting corners and selling unsafe product, and there are enough people around you who feel the same way then well, my friend, that is a fantastic business opportunity on a free market!

Start a firm of consumer watchdogs and give health ratings for food producers. Is that packaged meat in the Healthy Choice package really only 70 calories a slice? A surprise inspection should answer that! And if Healthy Choice objects, then you can put them on your "don't buy" list!

In fact, food producers would probably pay to be inspected and have a seal of approval, though that may betray a conflict of interest. In which case there would be need for watchdog-watchers who keep a close eye on where the money is going.

Underwriter's Laboratory was a firm that developed a reputation for being an impartial private regulator (though today it is becoming more and more an apparatus of the state). Companies would send their products to Underwriter's Laboratory and pay a prescribed fee to do so. I don't suspect that Underwriter's Laboratory would approve a faulty product just so they could get a one-time bribe, especially since reputations are built up with painstaking difficulty.

With things like this I am not so much interested in giving a singular solid answer as I am in highlighting a mode of thought. I am simply trying to break these problems down into what they really are and show how these are not impossible tasks, and hopefully you can then come up with an wide array of solutions which, if you put in the proper effort, would probably be better than

mine.

First Post on Medical Services

The first thing to be brought up when arguing with a person who wants increased state control of medical services is life expectancy.

Here are the life expectancies for the people living with the borders of the areas claimed by the following states:

Japan - 83
Australia - 82
Switzerland - 82
Canada - 81
Spain - 81
Italy - 81
France- 81
Germany - 80
Britain – 79
US - 78

And from this one is to assume that it is the national healthcare system that causes these numbers. That is, Japanese people live for 4 years longer than British people because Japan has a "universal healthcare system" while Britain does not. Or wait a minute, Britain does. But still, the only area that doesn't have a "universal healthcare system" has the lowest life expectancy.

However, "Texas A&M health economist Robert Ohsfeldt and health economics consultant John Schneider point out that deaths from accidents and homicides in America are much higher than in any other of the developed countries. Taking accidental deaths and homicides between 1980 and 1999 into account, they calculate that instead of being at near the bottom of the list of developed countries, U.S. life expectancy would actually rank at the top."

That was a direct quotation from this article:
http://reason.com/archives/2008/06/17/accidents-murders-preemies-fat

Also the article points out, with the appropriate links, that "Americans" are more likely to have a low birth weight, and that for any baby born with a low birth weight, that baby is more likely to die in a hospital in Canada than a hospital in America.

People living in the area called America are also very fat. 31% obese, however "obese" is defined.

Looking at these factors, it appears to me that the healthcare situation in the place called "America" is actually doing a pretty good job saving the lives of a people with very unhealthy proclivities.

That said, the US healthcare system isn't even entirely private. First off there is Medicare and Medicaid. These programs subsidize the use of medical services. If part of a person's medical bill is automatically paid for by another person, he will use more medical services. A lot more in fact.

Lets say at the cost of $10 per unit of medical services, Bob will buy 10 units of medical services at the cost of $100. Now if part of his medical bill was subsidized, lets say 50% for simplicity's sake, he would be spending himself $5 per unit.

Now he is actually paying taxes, but he has no choice over that. And if he buys more units of medical coverage, he still gets the subsidy, but his taxes don't rise as a result of him personally

buying more units.

So if Bob is willing to spend $100 on 10 units, under the subsidized program, how many units would he buy? Odds are, more than ten, let's say he goes halfway and buys 15 units of medical services at a cost to him of $75, and a cost to the taxpayer's of $75. He has bought more medical services than he would have if it was not subsidized. But of course because everyone does this, the price of medical services increases.

Medical care becomes more expensive because more people are willing to buy more units because of the subsidy. This is why healthcare in the US is so expensive and why, oh so predictably, is blamed on the free market. This is also why healthcare was cheaper in real terms in the 60's and 70's than it is today.

As a result of this subsidy, the people living inside the US spend more on health services than people who live in areas claimed by states that have "universal healthcare". I don't know if "universal healthcare" would be better or worse than the current situation. However, Obama is intent of exacerbating the problem by increasing the subsidies, which will make universal healthcare look more and more appealing, which is what is happening now.

In the United States, citizens actually get treated for conditions less than in Canada overall, however white Americans actually get more treatment for conditions more than white Canadians, and I would assume this is true for black Americans and black Canadians, etc. This was just my superficial impression from this data:

http://healthcare-economist.com/2007/10/02/health-care-system-grudge-match-canada-vs-us/

Also, because Americans still pay a great deal of their own healthcare costs, they buy more preventative medicine. In Canada, people just say, "oh the state will take care of me" and there is less incentive to prevent the onset of those conditions. Not no incentive, because nobody likes to get sick, just less. I'm not trying to boil everything down to one factor.

Also in a "universal healthcare" system, you tend to have less, more overused equipment. From the healthcare economist article that I linked, "The reason is simple; in a system characterized by private property and some sort of private payment, capital facilities are assets. The owners can earn a rate of return on them, thus it makes no sense to permit such facilities to deteriorate. Capital in a system like Canadas however, is a liability.

No individual or organization earns income from these things, and payment for their purchase takes away from individual employees, many of whom are unionized." - That was a direct quotation from the Mises article in the sources. Bureaucrats buy less equipment because they get paid a prescribed budget from the central planning committee, and that equipment is overused to the extent that it is "free".

This is why you have long waiting periods in Canada. It's the same reason you have long lines at the DMV and why there were lines for everything in the USSR. And by waiting periods, I mean months for an operation.

Also keep in mind that when someone dies as a result of not getting treatment for a fatal disease, that actually makes the "universal healthcare" system appear more cost effective. Because instead of having that expensive heart surgery, that guy died after having to wait in line for 4 months. Dead people tend not to rack up a whole lot of medical expenses.

When you subsidize healthcare, does that increase the number of doctors? Not right away, and there are only so many people willing and able to become doctors. That's how much medical service there actually is. Making it "free" does not change this fact.

Second Post on Medical Services

http://www.oecd.org/document/16/0,3343,en_2649_34631_2085200_1_1_1_1,00.html

In 2007, we can deduce that the US government spent about $3596 per person on medical services, while Britain spent $2444, Canada spent $2726 and Australia spent $2176 per person.

Despite this, in the US $4324 per capita was spent in the private sector, compared to $548 in the UK, $1169 in Canada, and $1024 in Australia.

This is because the US government subsidizes medical services, but supply does not increase in response to the subsidy, and so all that ends up happening is that more money is spent on the same supply.

Here are the physicians per 1000 people in each state. Despite the US spending much more, they don't have any more physicians than the UK.

Australia - ~2.88
UK - 2.48
US - 2.43
Canada - 2.18

Before one hoots and hollers and clamors for more state control, lets look into this. Why is so much spent on medical services in the US?

In Britain, the NHS acts as a price control on medical services. This keeps prices low. But, everyone in the UK wants to use the medical services that are now either artificially cheap or free. The result is long waiting lines and sometimes just outright denial. In fact by denying services, the NHS can lower the wait times of the remaining patients. This is what occurs in Canada and Britain, and my guess is what happens in Australia and New Zealand.

In 1972 Richard Nixon imposed price controls on gasoline, and the result was waiting lines and rationing. This is what happens with the NHS and healthcare. You can call these death panels or not, but there is not an infinite supply of medical services, and they are rationed one way or another.

In the United States, there are less price controls, and the result is that the prices of medical services are bid up, and up, and up. On a free market, this would be no problem. There's a huge profit incentive for would-be doctors, so on a free market you would see tons of Americans becoming doctors wanting to get those big paychecks. And this increase in the supply of doctors would drive the price of medical services down in the same way an increase in supply of any product would.

Unfortunately, thanks to the lobbying efforts of the American Medical Association, the supply of doctors is legally restricted:

http://libertariannation.org/a/f12l3.html

I personally don't care if the US goes to an NHS-style medical system. That system has some pros and cons depending on how rich you are, and on the whole may actually be better than the current state of affairs in the US. The problem though is that the current problems in the US are being blamed on the free market, when the real culprit is the state, and the AMA, for limiting supply.

In America, it's devil take the hindmost. And the reason people pay so much is because they are paying to not die. In Britain, instead of devil-take-the-hindmost, it's random death. Don't be fooled by "coverage", there are about as many physicians per person in Britain as in the US. There is just as much coverage in Britain as in the US.

There is one way to solve this problem and that is freedom. Remove the restrictions on supply, and the supply of doctors will rise, and the price will fall without having to resort to death panels.

Because of state "regulation", the supply of doctors is artificially limited, meaning that prices in the US will either always be high, or the US could become like the UK and just have extremely long wait times. And this does not mean waiting another hour for an appointment, it means waiting 2 more months for an operation.

How Government Solved the Health Care Crisis, by Roderick T. Long

Today, we are constantly being told, the United States faces a health care crisis. Medical costs are too high, and health insurance is out of reach of the poor. The cause of this crisis is never made very clear, but the cure is obvious to nearly everybody: government must step in to solve the problem.

Eighty years ago, Americans were also told that their nation was facing a health care crisis. Then, however, the complaint was that medical costs were too low, and that health insurance was too accessible. But in that era, too, government stepped forward to solve the problem. And boy, did it solve it!

In the late 19th and early 20th centuries, one of the primary sources of health care and health insurance for the working poor in Britain, Australia, and the United States was the fraternal society. Fraternal societies (called "friendly societies" in Britain and Australia) were voluntary mutual-aid associations. Their descendants survive among us today in the form of the Shriners, Elks, Masons, and similar organizations, but these no longer play the central role in American life they formerly did.

As recently as 1920, over one-quarter of all adult Americans were members of fraternal societies. (The figure was still higher in Britain and Australia.) Fraternal societies were particularly popular among blacks and immigrants.

Indeed, Teddy Roosevelt's famous attack on "hyphenated Americans" was motivated in part by hostility to the immigrants' fraternal societies; he and other Progressives sought to "Americanize" immigrants by making them dependent for support on the democratic state, rather than on their own independent ethnic communities.

The principle behind the fraternal societies was simple. A group of working-class people would form an association (or join a local branch, or "lodge," of an existing association) and pay monthly fees into the association's treasury; individual members would then be able to draw on the pooled resources in time of need. The fraternal societies thus operated as a form of self-help insurance company.

Turn-of-the-century America offered a dizzying array of fraternal societies to choose from. Some catered to a particular ethnic or religious group; others did not. Many offered entertainment and social life to their members, or engaged in community service. Some "fraternal" societies were run entirely by and for women. The kinds of services from which members could choose often varied as well, though the most commonly offered were life insurance, disability insurance, and "lodge

practice."

"Lodge practice" refers to an arrangement, reminiscent of today's HMOs, whereby a particular society or lodge would contract with a doctor to provide medical care to its members. The doctor received a regular salary on a retainer basis, rather than charging per item; members would pay a yearly fee and then call on the doctor's services as needed. If medical services were found unsatisfactory, the doctor would be penalized, and the contract might not be renewed.

Lodge members reportedly enjoyed the degree of customer control this system afforded them. And the tendency to overuse the physician's services was kept in check by the fraternal society's own "self-policing"; lodge members who wanted to avoid future increases in premiums were motivated to make sure that their fellow members were not abusing the system.

Most remarkable was the low cost at which these medical services were provided. At the turn of the century, the average cost of "lodge practice" to an individual member was between one and two dollars a year. A day's wage would pay for a year's worth of medical care. By contrast, the average cost of medical service on the regular market was between one and two dollars per visit.

Yet licensed physicians, particularly those who did not come from "big name" medical schools, competed vigorously for lodge contracts, perhaps because of the security they offered; and this competition continued to keep costs low.

The response of the medical establishment, both in America and in Britain, was one of outrage; the institution of lodge practice was denounced in harsh language and apocalyptic tones. Such low fees, many doctors charged, were bankrupting the medical profession. Moreover, many saw it as a blow to the dignity of the profession that trained physicians should be eagerly bidding for the chance to serve as the hirelings of lower-class tradesmen. It was particularly detestable that such uneducated and socially inferior people should be permitted to set fees for the physicians' services, or to sit in judgment on professionals to determine whether their services had been satisfactory. The government, they demanded, must do something.

And so it did. In Britain, the state put an end to the "evil" of lodge practice by bringing health care under political control. Physicians' fees would now be determined by panels of trained professionals (i.e., the physicians themselves) rather than by ignorant patients. State-financed medical care edged out lodge practice; those who were being forced to pay taxes for "free" health care whether they wanted it or not had little incentive to pay extra for health care through the fraternal societies, rather than using the government care they had already paid for.

In America, it took longer for the nation's health care system to be socialized, so the medical establishment had to achieve its ends more indirectly; but the essential result was the same. Medical societies like the AMA imposed sanctions on doctors who dared to sign lodge practice contracts.

This might have been less effective if such medical societies had not had access to government power; but in fact, thanks to governmental grants of privilege, they controlled the medical licensure procedure, thus ensuring that those in their disfavor would be denied the right to practice medicine.

Such licensure laws also offered the medical establishment a less overt way of combating lodge practice. It was during this period that the AMA made the requirements for medical licensure far more strict than they had previously been. Their reason, they claimed, was to raise the quality of medical care.

But the result was that the number of physicians fell, competition dwindled, and medical fees rose; the vast pool of physicians bidding for lodge practice contracts had been abolished. As with

any market good, artifical restrictions on supply created higher prices a particular hardship for the working-class members of fraternal societies.

The final death blow to lodge practice was struck by the fraternal societies themselves. The National Fraternal Congress attempting, like the AMA, to reap the benefits of cartelization lobbied for laws decreeing a legal minimum on the rates fraternal societies could charge. Unfortunately for the lobbyists, the lobbying effort was successful; the unintended consequence was that the minimum rates laws made the services of fraternal societies no longer competitive.

Thus the National Fraternal Congress' lobbying efforts, rather than creating a formidable mutual-aid cartel, simply destroyed the fraternal societies' market niche and with it the opportunity for low-cost health care for the working poor.

Why do we have a crisis in health care costs today? Because government "solved" the last one.

Third Post on Medical Services

http://www.nationmaster.com/graph/hea_phy_per_1000_peo-physicians-per-1-000-people

Here we have the physicians per 1,000 by country according to sources compiled by nationmaster.com:

Cuba – 5.91
Belarus – 4.55
Greece – 4.4
Russia – 4.25
Italy – 4.2
Turkmenistan – 4.18
Georgia – 4.09
Lithuania – 3.97
Belgium – 3.9
Israel – 3.82
Uruguay – 3.65
Iceland – 3.62
Armenia – 3.59
Bulgaria – 3.56
Azerbaijan – 3.55
Kazakhstan – 3.54
Czech Rep. - 3.5
Austria – 3.4
Germany – 3.4
France – 3.37
Portugal – 3.3
Sweden – 3.3
North Korea – 3.29
Lebanon – 3.25
Hungary – 3.2
Spain – 3.2
Estonia – 3.16
Norway – 3.1
Holland – 3.1
Slovakia – 3.1
Latvia – 3.01
Argentina – 3.01

Ukraine – 2.95
Denmark – 2.9
Ireland – 2.79
Uzbekistan – 2.74
Luxembourg – 2.7
Moldova – 2.64
Mongolia – 2.63
Finland – 2.6
Kyrgyzstan – 2.5
Poland – 2.5
Croatia – 2.4
Cyprus – 2.34
United States – 2.3

Are we really going to say that Cuba, Belarus, Greece, Russia, Turkmenistan, Georgia, Lithuania, Armenia, Bulgaria, Azerbaijan, Kazakhstan, North Korea, Lebanon, Hungary, Spain, Estonia, Portugal, Latvia, Ukraine, Uzbekistan, Moldova, Mongolia, Kyrgyzstan, Poland and Croatia have more people willing and able to go through medical school and become doctors than the US? Now perhaps the number of doctors in Cuba is artificially high because of state intervention, or the stats are fudged, but even if the throw Cuba out – Turkmenistan!!?? That there is the problem in the US, and I would say is the problem in all the European states on that list: supply is restricted.

Fascism vs. Nationalization

Direct state control (nationalization) of an industry, however awful, does plow over the inefficiencies of a highly cartelized (fascist) market.

While we are all profit-maximizers as individuals, a given state agency, as an institution has no reason to profit. It gets money from taxes, and provides some presupposed service. This desensitizes it from real demand of course, as stated earlier.

A cartel will restrict supply in order to charge at a cartel rate and earn more profit. To recap, lets say three rail lines, in market conditions, are:

Serving 100 passengers a day, which costs $1 to serve each one
Each passenger pays $1.10, thus the profit is $0.10 per passenger, or $10 per day.

If the firms cartelize they can raise rates together, but less passengers will buy their services. The rise in rates may or may not be profitable for the cartelizing firm.

Lets say the rail lines cartelize, and can do so because the state has prevented the entry of new firms that would break the cartel. Under cartel conditions, they could:

Serve 70 passengers a day, which costs $1 to serve each one
Each passenger pays $1.20, thus the profit is $0.20 per passenger, or $14 per day
- Thus the cartel is profitable because $14 is more than $10, which is the profit on a market.

If the rise in rates to $1.20 caused the passengers to drop to 40 per day, the cartel would not be profitable and would not occur even if the state could be bought off. This is because the situation would be:

Serving 40 passengers a day, which costs $1 to serve each one
Each passenger pays $1.20, thus the profit is $0.20 per passenger, or $8 per day.
- Thus the cartel is unprofitable because $8 is less than $10, which is the profit on a market.

A nationalized firm is a state program. And as a state program it has no incentive to cartelize because it is desensitized to profits and losses. Thus it is possible for direct state control of an industry to be preferable to a highly cartelized industry. This may be true in the case of "european" vs. US medical services, but lets not get any ideas. I am only explaining why the "european" medical service situations might be better than in the US, nothing is preferable to a free market.

Political Economy

Boycotting and War as regulation Against Abuse on a Free Market

Boycott - a movement and/or agreement among individuals and/or institutions to not purchase or sell to an individual or institution. Example: boycotting animal furs in clothing or chlorofluorocarbons in aerosol sprays.

Abuse - activity which incites a boycott.

War - use of force in an attempt to stop perceived abuse. This definition may seem incomplete, as it wouldn't encompass bald and overt aggression. But bald an overt aggression is simply reaction to a perceived "abuse" - that is another person using resources the aggressor wants.

First, let us look at a firm. On a free market, accounting profit and economic profit tend toward zero. If a firm engages in any kind of abusive behavior (paying workers "below a living wage", environmental damage, physical assault against individuals, etc.), they will be boycotted by someone.

Let us take a theoretical construction of a world with zero accounting profit, and where there had been no prior net accounting profit for any firm - that is there are no "war chests". Everything runs exactly at cost worldwide. If a firm where to be boycotted in this market, that would shift the demand-curve to the left, as there are now ever so slightly less people willing to buy their product or service. This firm would then have to shut off existing lines of production and reduce costs precisely to the amount that revenues are lower because of the boycott (and the firm must do this instantaneously).

Assuming the firm could calculate instantaneously, the firm would have to be perfectly divisible precisely by the percentage of demand lost as a result of the boycott, or else divide even further than the lost revenue from the boycott.

For example, if a boycott of the products from firm A results in a 1% reduction in demand on a zero-profit market, firm A would have to reduce their production costs by at least 1% to stay afloat. If their lines of production are not divisible by 1%, then they would have to reduce their lines of production by more than 1% until they can approach a size that does not run at a loss.

Lets say Firm A has 3 stages of production: Inputs 1, 2 and 3. Lets explicitly define the inputs as labor, the building, and widget material. Lets say it takes one building, 10 laborers and 100 widget materials to produce 100 widgets per day, and this results in zero profit, just enough to pay for everything (including labor) and make it to the next day.

If the firm has 5 buildings, pays 50 laborers and buys 500 widget materials per day, it is not divisible by 1%. It is divisible by 1/5, because it has 5 buildings. It is divisible by 20%, assuming the buildings are not divisible. Thus a 1% boycott of this firm, in a zero-profit market, will result in that firm contracting by 20% (it will shut down one building, lay off 10 laborers and stop buying

100 widget materials per day).

In reality markets are not so high-strung to where a 1% boycott instantaneously results in a 20% contraction of a firm, but this model does show that unless a firm is a homogenous aggregate, boycotts can force a contraction of a firm greater than the amount of revenue lost.

Ironically this will result in the now-smaller firm immediately becoming profitable, because there is now some unmet demand (because output shrunk by 20% in response to a 1% boycott), however this profit will be shared by the boycotted firm's competitors who also produce widgets, and they will be able to expand production because they now have some extra money (from the profits) to do so. This will lead to the gap caused by the 20% contraction of the boycotted firm being filled by whatever firms can do so (which will probably also include the boycotted firm).

On a free market, however, there is never zero accounting profit. Firms have both accounting profit and war chests.

On the matter of accounting profit, lets say firm A, before the boycott, earns 3% profit per year. If firm A were boycotted by 1%, firm A would be able to stay afloat without any changes to their production lines. If they were boycotted at say 6%, and firm A did not change their production lines at all, the firm would run losses.

Firm A could, if they predicted the boycott of 1 or 6 percent would eventually end, make certain parts of their structure of production dormant. That is they could pay 4 people instead of 10 for a given building to produce widgets, and only buy 40 widget materials. But they would be leery to just lay off the 6 employees who are well-integrated and proven in their widget-production line, and so could pay these people half of their pre-boycott salary for doing nothing.

Since demand is now 6% lower as a result of the boycott, the widgets they would have produced would not sell at the pre-boycott price (assuming discrete price intervals for the sake of modeling), and so it makes sense for the firm to not employ them, but at the same time their experience in the production of widgets is an asset, and so the firm paying them half on the condition that they will return to firm A's widget production lines is the most prudent move.

These 6 workers could then work at a temporary job for which they are not experienced, and earn the remainder of their pre-boycott income by working at McDonald's for example. Once the boycott ended they would return to their original work at full pay.

The firm could run losses from a boycott as long as they had a war chest - funds saved up to ride out boycotts (and strikes, but more on that later) or could sell promissory bonds. This is a populist and elegant situation. Firm A had achieved profits prior to the boycott by providing value to society - at 3% per year. That is the resources they provided to society were 3% more valuable than the resources seized from society, value being determined by the subjective valuations of society.

If the boycott then causes them to run a loss of 3% per year, that means the firm is causing as much harm to society (as determined by the aggregate subjective valuations of society which manifest in a boycott) as they were providing value beforehand. If they continue to abuse on a free market, they will eventually go bankrupt. Or be forced to contract.

What is in my estimation more beautiful about this is that the boycott for abuse has the same impact as a firm wasting resources. If a firm, not through boycott but through imprudence starts running losses, that means the cost of the inputs exceeds to price paid by society for the outputs. And the price of both is determined by society. And so this waste would be abuse if not for the

regulation for the firm losing money. This loss amounts to a transfer of resources to society to the extent that the firm wasted society's resources. A state program is a firm that not only wastes resources without suffering the same losses, but necessarily does so (that's the whole point of it being a state program). Statism is antisocial.

In the case where abuse is felt profoundly by a few who are not capable of engineering an effective boycott, there can be free-market war (often labeled "terrorism" or "guerrilla war"). The boycott itself works under the assumption that not many will participate, but that profit margins on a free market are so small that only a small percentage can force significant concessions from a firm.

Because valuations are different for different people, not all will participate in boycotting a firm, and if the perceived abuse committed by a firm is extreme enough to some individuals, they will be willing to go to war with the firm, with the conditions for peace being whatever the parties involved decide.

Unlike a war between states however, the war is between armies of mercenaries and fanatics, and the whole of society is not called upon by some presupposed state to wage a war against the people/land of another contiguous area. Thus society will not view the deaths of non-combatants as collateral damage, but as murder UNLESS they view the combating armies with the same reverence as society currently views the state, and since this is a free market I am assuming this is not the case.

Thus free market wars will be more likely to be wars of annihilation, though limited in scope to the parties choosing to be involved. It will be war concentrate.

And when we scale down this analysis of boycott and war to the individual, we find the same thing happening, only it is called "interpersonal relations" and "law" respectively. If a person is found to be causing abuse, the firm may fire him, cut his pay, friends will stop being friends, etc.. All various ways to make a person pay for causing some sort of abuse on the interpersonal level. This is the boycott.

If a person causes significant abuse, like for example raping someone, boycotting of the individual will not be sufficient. Unlike a firm, a 6% reduction in the rapists' pay doesn't cause the rapist to "go out of business". This is why "wars" against individuals are more common than wars against institutions.

Lets assume a 99.5% boycott for the rapist. There are still a few business that will hire him (buy his labor), and a few firms that will buy the goods produced by those business. It is a niche market, and to be sure will deprive the rapist of the full benefits of the global division of labor and structure of production, but it will prevent the rapist from having to pay his full debt to society.

A firm, by polluting the ozone layer for example, will incur a debt to society as manifested in a boycott and/or war. If the firm is providing enough value to society, they will earn profits that will allow them to override the boycott and/or hire a mercenary army capable enough to win the war. Similarly, a rapist, by committing rape, has also incurred a debt to society. If he provides enough value to society in other ways, he can pay off the rape victim and her family-friend circle or hire a bodyguard and win the war. I predict this is unlikely to work even for billionaires.

Abuse to society manifests in society responding with a boycott. If the boycott does not satisfy someone's call for retribution, the result is war. If a rape causes the boycott-response from

society to go over 100%, the result is necessarily a war of annihilation, or at the interpersonal level "the death penalty". Though in all likelihood a boycott response of 50% from a rape would probably result in the rapist being killed.

Finally, controversial individuals can simultaneously produce a high boycott-response and garner a high ideological following, and thus acquire a voluntary bodyguard that can offset the attacks of fanatics. This bodyguard can be explicit, or just a sea of fans. Also people can support free speech to the point of opposing a boycott against certain individuals even if they don't like what those individuals are saying. This could be taken to the point of joining a defensive war on the side of the blackballed individual they do not like for the sake of free speech.

Political Economy

I believe we know what an authority figure or venerable institution is. It is a person or institution with perceived legitimacy in determining something - be it scientific research, the law, history, english literature, mathematics, auto repair, whatever.

Now when one thinks of authorities on subjects in the abstract, he thinks of people who have earned their authority through rigidly comporting to the demands of the market - which is to say they their advice has proven to be sound according to the subjective valuations of those whom they have provided advice. The authority they gain is their payment for giving good advice. Unlike financial economics, this cannot be discretely modeled, but it can be understood in the same way.

If a person has proven to be an excellent steward of resources according to the subjective valuations of society, he will acquire ownership of more resources. This accuracy is a result of exchanges being agreed upon by both parties, the buyer seeking out the best deal, and the seller trying to charge the most he can while taking into account his competition.

If the producer sells a television for $20, and the buyer values the television at $40 (that is, the television is worth to the buyer as much as a theoretical basket of goods of all things produced in the market accessible to the buyer that can be exchanged for $40), then the buyer has $20 of "consumer surplus".

Another buyer may only value that same television at $23, and so his "consumer surplus" will be $3. Obviously most buyers don't explicitly think in these terms, but this is what they are doing.

If the producer can build televisions for $17 each, and sells them for $20, he is taking material that society values at $17, and producing something that some members of society consistently value at more than $20. Producers earn profits on a free market for three reasons necessarily:

1. Uncertainty - in a theoretical market with perfect competition and perfect information and no geographic micro-monopolisms, there would be no profits. When a producer produces 10,000 televisions and ships them to all of his stores, he doesn't know if they will all sell. In fact it is unlikely that they will all sell, and so the producer needs some margin. But because producers compete, if one producer gives himself too much margin he will lose customers. It's like a game of chicken, each producer driving their margin to as low a level as they can tolerate. If a producer drives to low, he will lose money because his margin wasn't enough to deal with the unsold televisions. If he drives his profit margin too high, less people will be willing to buy the television.

2. Micro-Monopolizations - This is not absolute, but a trend. If Wal-Mart sells a TV for $23 and K-Mart sells the same TV for $20, it's not like Wal-Mart will sell zero televisions and lose all of their customers to K-Mart. Some customers will lack knowledge that K-Mart sells the same TV for less, or will know but will prefer to pay $3 extra because Wal-Mart is closer. Also, the closest Wal-Mart to you may not have a monopoly on the goods it sells to you, but it has a monopoly on selling those goods on the land it has acquired, and all firms can charge a premium for this

convenience. This is why, as long as there is land and traveling costs, profits will never completely go away. They will (and do) get very small, but they don't go away completely.

3. The market is not saturated - As an industry is around longer, more competitors come on line, and competition becomes more intense until there is no more economic profit, and accounting profit is very small. By economic profits I mean that given what other things a company could be investing in, it makes no sense to invest in that industry. Economic profit includes opportunity cost. The completely saturated market is an abstraction, as there are always changes in society. The population may grow or shrink, changing the demand for food and for what types of food, and while the television-set industry may be relatively saturated overall, the LCD 30" flatscreen television-set industry may be wide open with few producers and thus high profits. The soda industry may be saturated overall, but the triple calorie avocado-bacon-bubblegum flavored fizzless soda industry is probably wide open.

By guiding the structure of production, the capitalist acquires stewardship of more and more resources (from profits) or is punished by society for mismanaging them (with losses). Similarly, persons acquire authority by providing good advice, or lose authority by providing bad advice. If a person's authority is presupposed, then their advice will be taken seriously without them having been proven in the past. There is no reason that this person's advice will be better than that of the average person. An example of this is when a priest is sought for psychological advice, or any state official is sought for economic advice.

The state official may be trained to deal with crime or "uphold the law", or to teach mathematics, but to the extent the state official is not behaving exactly as he would behave on a free market and is not being punished by losses to that extent is the extent to which his authority is presupposed.

A person doesn't become a math teacher for a living because he has proven capable at teaching math through others purchasing his services, but because he took the classes prescribed by the state. It is presupposed that because he took those classes, and the state certified him, he is now a math teacher.

To make an analogy, it would be like the state prescribing what one must know to make shoes, and then guaranteeing an income to the people who meet this criteria and ration out the shoes this person produces. Switch out shoes with teaching services, and that's exactly what the state does with "education". It's not a market test, it's a web of presupposed authorities.

Now before going any further, let me state that the democratic state is just a state. It's justification is different from a non-democratic state, but between elections it is functionally the same aside from different incentives for elected officials, which only matter to the extent that the public knows what is going on. Elections introduce a whole new world of political economy, but I am going to ignore that for now.

The state is a presupposed authority. That is when a state official proclaims "we shall decide who can own guns and of what type and how many", the state official is viewed as having the authority to make that rule. If a person disobeys that rule, his actions will be seen as unjust to the extent that the population views the state authority to make that rule just.

If a regular person proclaimed that he would decide who can own what and how many guns, that person would be seen as insane and totalitarian. To the extent that a normal person behaving like a state seems bizarre, is the extent to which the presupposed authority of the state has resulted in perversions in society.

Let me stipulate that, aside from limited space or extreme-scarcity monopolies, monopolies and cartels cannot form on a free market. Cartels are broken by competitors, and if the cartel decides to go to war with their competitors, they will not only be facing the logistical problem of finding and shutting down all competitors, but will face boycott and war. States cannot maintain themselves by force alone, nor can firms. Even when the US army props up puppet states in Iraq and Afghanistan mostly by force, that is dependent on a giant well of ideological support back in "the homeland".

If a population presupposes the legitimacy of a state, that state can impose rents (taxes) and rules somewhat arbitrarily. Some states are percieved to have more authority than others. For example Germans tend to project more authority onto their state than Americans or Australians, but they all have some capacity for arbitrariness that comes from being a presupposed authority - not having to earn their authority by satisfying customers, but just by being "the state".

Firms can earn greater profits by cartelizing, and if they can lobby the state to proclaim the cartel, that can be seen as legitimate by the population. In Britain this was done rather baldly; the king would issue "grants of monopoly privilege", explicitly proclaiming that anyone competing with the monopolist would face a fine and/or physical force.

In exchange the monopolist would pay a portion of the resulting profits back to the king. That state could be so brazen then because the population was so stupid and believed in the divine right of the king. This is the basic model of rent-seeking: the firm buys off the state, and the state enforces the monopoly. The state is necessary because the state is a presupposed authority, while the firm is not.

But the firm is also necessary because the firm can actually produce wealth, while the state - being disconnected from profit and loss, is like a blind man, and the extent of the disconnect is the extent of the blindness. Though even cartels do respond to consumer demand, just not as much as free-market firms.

Big business and big government have a symbiotic relationship, and this is the inevitable outgrowth of industrialization in a statist society. I like the term rent-seeking, but it is also called corporatism, fascism or corporate fascism.

I do not like the term corporatism because corporations were originally a means by which the lower classes could invest; they bought "stock" in a large venture. For example, a ship to India carrying spices may cost $1000 in 1800, but a single person could invest $1 in the voyage and receive 1/1000th of the revenue in return (if there was any).

Corporations broke the laborer-capitalist dichotomy and allowed everyone to be some of both, leading to a "middle class". I often talk in terms of the capitalist planning the structure of production as if the capitalist is distinct from the laborer, but this is rarely true. There are only a few people who are good enough to be capitalists for a living, most can only afford to do it in conjunction with their direct labor.

And this is not surprising as a single planner can manage the labor of multiple people, not the other way around. And so a free market results in an emergent and graduated hierarchy. However, if someone who has little capital reveals himself as an excellent steward of capital, banks will loan this person money to the extent that the bank is a profit-maximizing firm. It is through savings that investing can occur, and if there is a lot of money waiting to be invested then it is easy to start a new firm. So a high savings rate creates a truly egalitarian society in

regards to opportunity (though definitely not outcome).

Anywho, fascism causes perversions in the market. Because the cartels are monopolistic, they produce shoddy products at high prices, though it's not black-and-white. It's not like one day McDonald's is competing on a free market and the next day they, Burger King, Wendy's and Carl's Jr. / Hardees all form a cartel and it becomes impossible to compete. Because the population in the US would not stand for explicit grants of monopoly privilege, it has to be more insidious. Licenses, reviews, fees, inspections, forms, slowly creating a web of difficulty making it more difficult to compete. And so it's not like a black-and-white cartel vs. free market, it's more of a "cartelistic" market. And the cartelistic market is created through "regulation", which I have covered earlier in this booklet.

What is insidious about the cartelistic market is that on the surface is looks like a free market, so less subtle minds will assume that they live in a "market economy" and will consider the prices, the services and the profits they see as being inherent to a free market. They will blame the decline in real wages that has occurred since the 1970's on the free market, and they will conflate the darkly comedic medical insurance and medical service industries with the free market.

And because they view the problems of the cartelized market as being problems of the free market, the population will clamor for more "regulation" of the "free market run wild". Now I would have to make a case-by-case analysis, but price controls on a state-sanctioned monopoly may be justified if we are to assume that the state will not shrink significantly any time soon. Once we enter the realm of the cartelized market, things get funky. But the problems of the cartelized market result in clamor for more "regulation", leading to more barriers to entry, which leads to more cartelization which leads to an even worse market. Today the US economy looks like the medieval guild-and-monopoly system, though it is not a result of overt proclamation but of creeping rounds of "regulation".

This cartelization allows for various abuses, which cause a boycott-response from society. Unfortunately, because the economy is cartelized, boycotts are ineffective. Because of state intervention, you have not only an artificially large boycott-response to artificially high levels of abuse, but this boycott is ineffective, leading to an artificially high war-response.

This war-response manifests in anticapitalism. However, because the state is seen as legitimate, the corporations have at their disposal the guns of the state to protect them from the war-response, so the corporations don't have to fight their own battles caused by their own abuses. The anticapitalists who realize this call themselves "anarchists" and their slogan is "smash the state, smash capitalism". These anarchists have nothing to do with the free market and why pro-freedom folks call themselves "market anarchists" is beyond me.

While the rounds of "regulation" inflate corporate profits more and more, they also result in more of the population questioning the market economy in general, and you get the rise of the total state. That is direct state management of the means of production, or often called "socialization".

Though because all state programs are necessarily disconnected from society-decided prices, it is the opposite of social. The rise of the total state is a return to barbarism, it is antisocial decivilization. It is a return to a time when the structure of production was so undeveloped that barbarian armies could match and often defeat sedentary-society armies; sedentary societies being based not on force but on explicit law and mutually beneficial exchanges and charities.

The annihilation of the rent-seeking corporations is welcome. They made a deal with the devil (the state), and "socialization" (often called "nationalization" in more parochial societies) of their firm is a well-deserved fate. And the population which now either has to live with the total state or go through a bloody revolution deserves their fate - for the most part.

The only people who don't deserve their fate are the foresighted people, the elect, who see the state for what it is, oppose it, and advocate a system of emergent law and adhocratic property. I am not talking about "constitutionalists" or "minarchists", those house-slaves deserve the total state. The people I am talking about call themselves "market anarchists" or "anarcho-capitalists", and a few who call themselves "mutualists" are also part of the elect.

Though one need not advocate emergent law and property, as that is the natural outgrowth when there is no presupposed authority. And law and property will be emergent to the extent that there is no presupposed authority.

The State Revealed as Firm

The presuppositional nature of the state allows it to do things that, if a firm where to do it, would be considered extreme abuse and elicit a boycott and war response. When a state is revealed as a firm, that is by whatever intellectual mechanism the fog of presupposed authority is lifted, the result is the boycott and war response, though it is usually called a revolution.

Unfortunately, throughout history revolutions typically consist of one presupposed authority displacing another. That is to say they replace one state with another. Thus the term revolution is appropriate. It is not meaningful change, just a revolving of the guard, a revolution. I am not for revolution, I am for the smashing of presupposed authorities. That is to smash the state entirely, and corporations to the extent that they are disintegrated from the structure of production.

In 2009 US Government at federal, state and local level spending and the effects of inflation was supposedly 46.22% of GDP. This means that 46.22% of the resources in the US economy went to the state. It doesn't matter if the funds were explicitly taxed or the money was printed. Printing money provides the state with more bills, but since there are more bills floating around as a result (but not necessarily any more goods), the value of each bill becomes less. And so it doesn't matter how high the income tax is (which is why republicans calling for deficit spending for tax cuts is silly), if the state spends the money, it was taxed in one way or another.

A recession is what happens when resources are misallocated according to the demands of society. I explained earlier how and why this happens. The collapse of the state will just be a big recession. For some context, lets look at the "great depression" in which annual average real GDP supposedly contracted by 8.6, 6.4 and 13.0 in 1930, 1931 and 1932, respectively. This compounds to 25.5%.

Supposedly once Roosevelt implemented the "New Deal", growth recovered, but this is spurious given that the growth was fiat. It is similar to how the US GDP supposedly skyrocketed in world war 2 and contracted by 11% following the war. The GDP didn't skyrocket in world war 2, and didn't plummet following the war, the bean-counters simply ignored subjective value and looked at dollars being spent on stuff. Same with the New Deal, which like the war, was a massive amount of gov't spending which the bean-counters assumed was all value.

It's like a school: say gov't spends $1 million on a school. Has $1 million of value been provided by that school? Necessarily not. But according to the GDP stats, it registers as $1 million in the same way people buying $1 million of clothing does.

The difference is that the people buying the clothing value that clothing more than $1 million, whereas the school is necessarily valued less than the funds spent on it - which is why they have to be taxed. But people pay "their taxes" because of the presupposed legitimacy of the state. World war 2 and the New Deal can thus be seen as sham growth.

Now between 1930 and 1940 the state never reached 23% of GDP, and so the market was relatively free enough from taxation to go through the recession despite the New Deal

spendathon. And so there was a New Deal, and there was a recovery in terms of subjective valuation (though not as much as the numbers would indicate), but it was in spite of the New Deal.

Resources were seized from the population to build those damns and paint those murals. This cannot create wealth as determined by people's subjective valuations. It can only seize real resources and convert them into disintegrated state programs and projects. Deficit spending causes these resources to be seized via the inflation tax.

But let us assume that GDP did contract by 25.5% between 1930 and 1932. If the state were to collapse in the US in 2010, that would certainly result in a GDP contraction of 46.22%, but probably much more, though I cannot quantify how much more.

The reason I say that the failure of the firm called state will cause a contraction greater than 46.22% is because barriers to entry maintained by the presupposition of the authority of the firm called state allow corporations to misallocate resources. I don't want to go into specifics of how corporations misallocate resources, but the reader can probably think of some. So it will be the biggest recession the US has ever faced.

But on the flip side of recession is the reintegration of resources. All of those gov't employees will now lack a job, but since firms now pay zero taxes, they will be able to hire more workers. As for welfare there will be some fallout, but since the productive class now pays zero taxes they will have more expendable income.

In my minds eye it is a plant. This plant is half true and half cancer, though not split evenly. Parts of the plant are more true and parts are more cancerous (even a state program provides SOME value, so there is no organelle of the plant that is fully cancerous). The cancer is identified, and the cancer dies.

The cancerous material is then digested by the true plant, causing rapid growth for the true plant (the integrated structure of production), though immediately not to the same size it was when the cancer made up half of the total plant's size. I see it as the total size of the plant contracts by 50% by digesting the cancer, but then the plant grows by 20% by being able to reintegrate the formerly cancerous proteins and lipids (at reduced pay of course). This is not to say that all of people will die, but that the firm of the state and all of it's franchises will "die" in an institutional sense.

But now that the plant has removed the cancer, even though it is smaller, it is freer. And even though the formerly cancerous lipids and proteins are being paid less, each unit of money (whatever it is) is now worth more because the true plant (integrated structure of production) has grown by 20%. And now the plant will grow faster than ever. And when it reaches the size it was before the recession, the standard of living will be worlds better than it was just before the recession.

Overfishing

The way you prevent overfishing in a stateless society is the same way you prevent any crime: make it illegal with explicit punishments and/or the threat of outlawing. Outlawing means to set a person outside of the law, that is they have no legal protections if any crime is committed against them. So that is very simple, once we have the basics of free-market law laid down, you just punish overfishing as a criminal offense. The difficulty is calculation. That is, calculating how much is being fished and how much should be fished to maintain the integrity of the global fish stock.

There are 4 players in my solution to the problem of overfishing, and in the text version of this book I have a diagram. The 4 players are:

1. The Law Agencies
2. The ITQ Agencies (ITQ stands for individual transferable quota)
3. The Harbors
4. The Fishers

The Law agencies approve the ITQ agencies. This is because overfishing is a legal issue, and the legal agency is that which prosecutes the crime of overfishing. The ITQ agency does all of the calculating for the Law Agency.

The ITQ agencies must come up with a consensus of how many of each type of fish can be fished in each general location. They must deal with overlapping migratory patterns and all of that stuff that is apparently complex. Once consensus is reached, however it is reached - perhaps an annual meeting or even a series of virtual meetings, that is the quota.

ITQ agencies would have to figure out how to pay for the scientific research, and because the Law Agencies and the ITQ agencies are interdependent, the Law Agency would not have an incentive to approve an ITQ agency that wasn't paying their "fair share" for scientific research on the fish populations that cluster of ITQ agencies happen to monitor. And the Law Agencies are interdependent on each other for recognition, and so a Law Agency that approved an ITQ agency that didn't pay for scientific research but used the research of others would face sanction from the other Law Agencies - such as penalties against the customers of the "rogue" law agency in matters of disputes between members of different law agencies.

The ITQ quotas are then sold off to the harbors. Harbors bid on the fish quotas for their respective areas. This will result in the harbors that believe they can catch the most fish bidding for the most credits. The harbors then sell these ITQ credits to the fishers. The fishers then own the fish they catch. Once the fish are caught and the credits are deducted, the fishermen then own the fish outright and can do with them what they please.

Each region has ITQ credits for each fish type. For example "Hudson bay Halibut" or "Chesapeake Bay Tuna" or whatever fish are in those regions. Each harbor that takes in fish must be approved by an ITQ agency or else be outlawed. An outlawed harbor is open for pillaging. This is where our old enemy the corporation actually becomes useful, because the harbor can be outlawed without outlawing the individual employees, and so the harbor will be pillaged without the employees getting massacred.

The harbors are all connected and the fish that go through the quotas are all databased. This can be done by weight or number, however these things are done, I'm not an expert on the sundries of fishing metrics. The fish-counting would be done by the ITQ agents at the harbors. The most efficient fishermen would be the most willing to pay more for the ITQ credits.

Harbors would bid on credits from the ITQ agencies. However, they could buy credits from any ITQ agency that is approved by a legal agency, and so the cost of the ITQ credits for the harbors would gradually approach the cost of counting fish at the harbors plus the research pool cost. The ITQ agencies would be competing for business by harbors who choose to buy credits from them, but they also have to do their job well enough to be approved by the legal agency.

If the ITQ agencies overestimate the number fish that can be fished, they will risk having their approval from the legal agencies suspended, as environmental activist groups could file a lawsuit against them for "enabling the crime of overfishing". If they underestimate the number of fish that can be fished, then new ITQ agencies will come on line, and if the new ITQ agencies are formed by prestigious individuals they should have no trouble getting initial legal approval.

The initial imposition of this plan would not be difficult except as a matter of scale (that is, there

are a lot of harbors in the world). Though as integrated as fish populations are, you can still regulate discrete areas of ocean, they just happen to be rather large areas. The first ITQs I envision would be privatized government agencies that already do this sort of thing, just as the first legal agencies would probably be privatized government legal agencies.

Cartelization among the fishers would be systematically unlikely to succeed because if they did manage to cartelize for one fishing season, that would drive profits in the fishing industry up, resulting in new fishers bidding up the fishing credits from the harbors, until new fishers came in to undercut, and this would continue until the cartelization ceased and prices went back to the normal rate.

Who will oppose the ITQ system?

Short-sighted fishermen
Short-sighted consumers
Fish-farms

Who will support the ITQ system?

Far-sighted fishermen
Far-sighted consumers
Environmentally concerned people

The only disharmony I can envision is with the harbors. There is only so much space to build a harbor, and so they can easily cartelize and sell ITQ credits to fishermen at the monopoly rate.

The natural regulation against this would be indirect competitors: if wild fish becomes too expensive as a result of harbor cartelization, more people will buy from fish-farms, or just buy other types of food. And harbor monopolization is systematically unlikely because of the firms being bought out raising their buyout-price as the would-be monopolist gets closer and closer to a monopoly, and cartels are inherently unstable. Because of these mitigating factors I will say that the harbors will behave in a slightly cartelistic manner.

But other than that overfishing does not seem too difficult.

Global Warming

Lets assume that man-made global warming exists and will have negative effects. The argument is that while humans are not producing many greenhouse gases, the earth has emerged as a self-regulating system, and releasing stored greenhouse gases into the atmosphere will result in a new equilibrium at a higher temperature. So just a tiny increase will have tiny systematic effects, and let us also assume that these effects are undesirable.

The free-market boycott solution factors in how much individuals value combating global warming vs. economic growth. Individuals interested in combating global warming could and already are forming associations. Now I understand that few individuals would be willing to reduce their "carbon footprint" if they were the only ones to do it, which is why collective action would be needed. Perhaps a petition or central register of all people on the planet who cared about global warming.

This central register (probably along with other rating agencies, and regresses of watchdogs) would certify if a product was approved or not as "planet-safe". The register could also be connected to debit / credit cards, so that the card would only approve of "planet-safe" products, and joining either the central global warming registry, or one of a network, would require the use of one of these cards. If you don't use their card than bars non-approved products, then you don't

get to proclaim your environmental virtuousness.

People would be motivated to join a global warming registry for the same reason people buy nice-looking clothes: social prestige. And as we know, people are willing to pay a premium for social prestige, coupled with genuine concern for the planet of course...

As more people join the registry, it goes from being elite to mandatory. Not instantaneously, but on a gradient. Now in Africa they won't give two shits about global warming for quite some time, but as people become better off, they will value combating global warming more than economic growth. And so I see a network of registries whose membership grows as economic growth grows and as global warming propaganda spreads. (note: I do not use propaganda in a pejorative fashion. To propagate ideas is not necessarily either good or bad by my subjective valuation.)

Obviously growth of the global warming registries drives growth of the registries, that is as it becomes more likely that they will have some meaningful effect, more people become willing to join.

So the three things that will drive the growth of the global warming registries are:

1. Growth of the registries (growth drives growth)
2. Economic advancement for the world median income
3. Global warming propaganda and the negative effects of global warming

The things that will shrink the registries are:

1. Shrinking of the registries (shrinking drives shrinking)
2. Economic decline of the world median income
3. Anti-global warming propaganda and the positive effects of global warming

Firms will then either cater to registry members or non-members. Firms which originally did not meet the registry standards will have to restructure (which is never fun) at least part of themselves to satisfy the new demands of the registry members, as the new standards are in effect a boycott. Though the boycott is not aimed at a specific company, but a mode of production. And I'm sure there will be people willing to wage war against polluting firms ("eco-terrorism"), and they will be used in anti-global warming propaganda, though I don't predict it will be decisive either way.

Assuming the global warming science is sound (which I personally don't think it is), then the registries should be effective in reducing greenhouse gases to the extent of their membership. And then once they have enough members, the registries may then field armies to wage a war against all firms that do not comport to their standards, and this may or may not work.

It is also possible that global warming is being promoted by the state because it can be used to justify more state intervention. Ad individual politicians can, for example, get ethanol subsidies. It need not be a grand conspiracy, it's just that any individual agent of the state is generally incentivized to support state expansion, and global warming justifies state expansion.

For the democratic state, the solution is much less elegant that that of a free market. First off taxes are so high that people don't have the personal incomes to form and join these registries, statist policies stunt economic growth especially in the third world (which is extremely statist), and barriers to entry mean profit margins are so high that boycotts are ineffective. That's why the registry solution will not work in today's ghastly gaggle of democratic states.

So the state solution is increased "regulation" of factories, cars, tractors, power plants, and anything that emits greenhouse gases, the state will require by law that these things be phased

out. Perhaps the state will seize resources from the population to use to buy and dispose polluting machinery. Similar to "cash for clunkers" but on a much larger scale.

Now because economic growth is stagnated and taxes are high, the opposition to global warming is much smaller than it would be on a free market, and so these statist policies are certain to cause a backlash. One positive side effect would be that industries would leave the states where these policies are enacted and move to the third world, though this can and probably would be prevented by erecting tariffs.

And remember that the incentive of each state agent is to expand his bureau, and each congressman is to get elected, and each petty bureaucrat is to do as little work as possible. That is, the state is systematically disinterested in the actual effectiveness of combating global warming (similar to how they are systematically disinterested in fighting poverty, educating kids, maintaining effective roads...).

The global warming registries, however, will be competing for customers, and will be systematically interested in actually combating global warming. This is because they are integrated into the structure of production.

So not only would a free market promote economic growth which would lead to more people supporting the registries, but the registries would, though competition, be directly incentivized to actually reduce greenhouse gas emissions of firms. And they wouldn't be forcing a large oppositional population into the arrangement, at least not until they had achieved global supermajority status. And even in the ascent, that is before they had achieved near-global dominance, they would be reducing greenhouse gas emissions all along the way, as opposed to the all-or-nothing nature of state law.

I support the free market solution as it would most satisfy subjective valuation. But you cannot have this in isolation. That is, you can't have a free market in solving global warming but statism everywhere else. The statism everywhere else PREVENTS the free market solution to global warming.

Scientific Research

The free rider problem as it pertains to scientific research is as follows:

Company A spends $100K on developing a product, but company B can spend $10K and copy it, having the exact same product. Thus research and development is punished on a free market. That's the theory.

Edwin Mansfield, the late economist at the University of Pennsylvania came to the conclusion that in OECD countries, across all industry it costs $65 dollars to copy $100 worth of research. Or 65%. But that's just direct cost.

In order for a company to copy research, they have to have smart people. An example would be in the drug industry. If I gave you a Viagra pill, would you be able to reverse engineer that? No, a company needs to have smart people who can do that, with the equipment, on hand if they want to copy. So there are sunk costs involved if a company wants to copy research. This isn't just copying your neighbor's Scantron answers.

Also it takes time to reverse engineer a product, and in that window the company that made the original product enjoys a monopoly. The more complex the innovation, the more difficult it tends to be to reverse engineer, and the longer that company enjoys a monopoly.

Given the advantage of the temporary monopoly of the originator plus the sunk costs needed for

copiers to be able to copy, copying research and doing original research tend to come out as equally profitable strategies. Private firms in OECD spent about 3% of the budget on research.

That said, all firms engaged in research both copy and do original research themselves. Because in order to copy, you must have smart people doing original research in that field, you've got to have guys in the know, and when one company makes a breakthrough, everyone else rushes to copy.

The reason copying a product and originating a product tend to be equally profitable is basic economics. Products are only released by firms if it's revolutionary enough to earn a profit that makes up for the cost of development. And in order to make a profit, it must be difficult enough to provide a period of monopoly for those costs to be recuperated.

Products which are only slightly revolutionary aren't as expensive to develop as products which are extremely revolutionary, but also tend to be easier to reverse engineer, resulting in a shorter monopoly period. If you're interested in more detail, I would recommend Terence Kealey's book:

http://www.vimeo.com/4798314

http://books.google.com/books?id=tKJuIBtjpvsC&dq=Economic+Laws+of+Scientific+Research&printsec=frontcover&source=bn&hl=en&ei=tyd3S9rbFJTUsQP44oXLCA&sa=X&oi=book_result&ct=result&resnum=4&ved=0CBYQ6AEwAw#v=onepage&q=&f=false

http://www.amazon.com/Economic-Laws-Scientific-Research/dp/0312173067

When the state funds scientific research, there is crowding out. For every $1 spent on research, $1.25 less is spent on research in private firms according to Kealey. I have an idea why this might be: government jobs are more secure and have shorter hours than private jobs, and so a government job of $100K a year is worth more than a free-market job of $100K a year. Or more discretely, a government job of $100K a year is worth about as much as a private job of $125K a year. That's just my guess as to why state funding crowds out private funding at more than a 1 to 1 ratio.

Also, state funding often goes to military research, which can lead to innovations, but it is not connected to what individuals choose to buy with their own money but what the military wants. And what the military wants isn't even necessarily tied to what's the best for waging war. For example the air force continues to fund the research of piloted aircraft because that provides jobs for pilots, whereas UAVs are clearly the wave of the future. The limiting factor of the F-22 isn't the airframe, its how many gs the pilot could take.

Francis Bacon, torturer and embezzler, put forward in 1605 the idea that science is a public good based on pure research. That yes it is applied science that leads to immediate discoveries, but that applied science can only come from a pure research background, which the short-sighted marketplace will not provide to appropriate degrees, and thus the state must fund pure research.

Now as it turns out, the best way for a firm to come up with some profitable breakthrough is to engage in pure research, because science is unpredictable and that which deals with the most fundamental and open-ended concepts - pure research, tends to result in the most novelty and thus breakthroughs.

And even companies whose sole goal is to merely keep up with the bigger companies and sell knock-offs of popular drugs have to employ scientists, and those scientists have to stay in the loop doing pure research. And so everyone is engaging in pure research constantly.

Francis Bacon's idea of state-funded science was implemented in France but not in Britain. Britain didn't implement any state science program until World War 1, and the United States didn't do very much at all until 1940.

Now one can always come up with many anecdotes about state funding of things causing that thing to come about, a great example that statist hack Noam Chomsky likes to bring up is the internet. As though connecting computers over long distances was something only state research could come up with. Sure, private research invents the airplane, automobile and about half of the computer, but connecting those computers together is a job for the state.

And on the airplane, at the time of the Wright brothers, the Smithsonian was attempting to fly a heavier-than air craft as well. They were beat to it by the Wright brothers.

Now just imagine if the Smithsonian had won, we wouldn't hear the end of it. "Oh, without the munificent foresight of state research planners, how would we have ever achieved heavier than air flight!" And the statists would make up arguments about the free market being unwilling to take such abstract risks or not being able to crash expensive airplanes repeatedly, and may even point and laugh at the Wright brothers and say "look, there's your free market, two wacko brothers. Look at this clown show.

What a failure! Maybe this crapshoot worked in 1000 AD, but look at how complex things are now. Sure the free market worked then, but so did hunting with stones and spears. We're evolved, it's civilization. Enjoy your airplane, courtesy of the US government. Free market fundamentalist, you got pwned."

Anecdote. The state is not necessary to fund research and development, and from every angle of analysis, the state appears to pervert and distort the structure of production, in this case the production of scientific research.

Sacred Cows

The revolutionary war

(April 19, 1775 – September 3, 1783).

First off the revolutionary war had about 40% active support among the population, while about 15% were British loyalists, and 45% were neutral.

The Continentals had about 90,000 troops at any one time, and 250,000 men served in the Continental Army.

About 10,000 loyalists were serving alongside the British at any one time, and 25,000 loyalists served in the British Army.

About 6,000 French troops fought under Jean Rochambeau, though French support came mostly from naval support and attacks on Gibraltar in conjunction with Spain. The French also fought the British in India, and aligned with the kingdom of Mysore against the British.

At the beginning of 1775, the British Army had around 36,000 men worldwide. In order to suppress the rebellion, they had to conscript most of the army, an exact number I am not sure. The British Army had about 60,000 men at any one time, and hired about 30,000 mercenaries from various German states.

Black troops served on both sides, though more with the British than the Continentals. Blacks were slaves before, during and after the revolutionary war, so it didn't mean liberty for them. That

may be something to keep in mind when you're puzzled about why blacks don't seem to care much for the constitution.

To put it bluntly, Continental victory was not an amazing feat, and Britain was far more impressive given that they were overstretched with wars against Mysore, Spain and France. Especially since the Continentals had a significant popular advantage (though it wasn't complete) and thus the British had to expend soldiers to occupy any area they conquered.

Shay's Rebellion

In 1786, a rebellion in western Massachusetts later dubbed "Shay's Rebellion" occurred in response to the state enforcing debt collection, which creditors demanded in specie. Because farmers (of which roughly 90% of the United States was at the time) didn't have much specie, their debts were repaid by having their lands seized. This became a problem after the war because of so many soldiers (20% of the male population) were conscripted, many weren't paid, yet were expected to pay their debts and taxes.

This led to a high default rate, and the state seizing the property of farmers and transferring it to the creditors. And I suspect most of these creditors didn't homestead the land and didn't acquire it from someone who homesteaded the land, which is to say that the private debt wouldn't have occurred on a free market in the first place, though was exacerbated by unpaid conscription.

There were riots and the shutting down of courthouses. In response Samuel Adams spearheaded a resolution to suspend habeas corpus and a distinction that unlike under monarchy, rebellion in a republic should be punished by execution.

Then there was a battle and / or a bunch of battles and the rebellion was crushed by the state. Shay's rebellion was used as evidence that the central state needed to be stronger, so that private property could be better protected against local majorities. The irony of course that it was the state seizing the property of the farmers and that there were no property problems before the conscription of men and confiscation of property.

Whiskey Rebellion

The Whiskey Rebellion was in response to the Whiskey Act of 1791, which Alexander Hamilton advocated "more as a measure of social discipline than as a source of revenue" and that he "wanted the tax imposed to advance and secure the power of the new federal government."

The Whiskey Act was similar to the British taxes on stamps, tea, sugar and... whiskey. The British had imposed a tax on distilled spirits and carriages, and now the new government was doing the exact same thing. There were spontaneous rebellions in response, but this time the imposing state wasn't far-away and overstretched Britain, but the very near and focused United States Federal Government, and so the rebellion was quickly crushed.

I believe more money was spent on crushing the rebellion than actually collecting the tax.

The United States Constitution

The constitution was ratified in 1789.

It is often supposed that the constitution exists to "protect our rights", though the falsehood of this is evidenced by the behavior of the US Federal Government following 1789, but also by the fact that the word "right" doesn't appear in the constitution. This omission was so glaring that the "Bill of Rights" had to be added two years later in December 1791.

This suggests that the men creating the constitution were not concerned with your rights, but with creating an instrument of power, and I contend an instrument of LIMITLESS power whenever they wanted to use it that way.

Let me take a few parts of the constitution:

Preamble:

"We the People of the United States, in Order to form a more perfect Union, establish Justice, insure domestic Tranquility, provide for the common defense, promote the general Welfare, and secure the Blessings of Liberty to ourselves and our Posterity, do ordain and establish this Constitution for the United States of America."

Very fair words, they sound very nice, but have you ever taken the time to read them carefully to find out what they mean?

"We the people of the United States,"

By the use of this phrase, there is a clear inference that the people on the United States either directly or through their representatives either wrote or approved of this document. That is NOT true. That phrase is essentially fraudulent. This instrument was never examined by the people of the United States to find out if they cared to approve it. None of them have explicitly approved of it of their own free act and deed, they have never been asked to and have never bound themselves voluntarily under the provisions in it. The people who drew it up had no legal right to impose it upon them as law, yet it says, "We the People of the United States...".

"in order to form a more perfect union,"

I'm not at all certain that I would favor that. The idea of a "perfect union" can be traced to Plato's Republic, which was his vision of a perfect society where everyone had a place in society and was to be under a captain at all times, and give obedience to that captain at work or at play. You must obey the state, and the state as Plato saw it was the "perfect union" under a philosopher-king.

In contract, Xeno believed the object was not to provide a perfect society but to create perfect individuals. Xeno, founder of the stoic school, claimed that if you do create a perfect society with imperfect people, then you would have to take these imperfect men and put them in a perfect society by force. How much better would it be to have the emphasis be on be on perfect individuals and let each person provide whatever society he pleased?

"establish justice,"

Now what does that mean? Establish means to found, to do something for the first time. This presupposes that there was no justice prior to the constitution. Apparently the writers of this instrument were going to "establish justice" for the first time for us. How kind of them.

"Justice" is subjective. Is justice to mean fair dealing, quid pro quo, and mutually agreed upon exchange? Or is this to mean retroactive vengeance over all that is claimed to be "unjust"? Because justice is not defined, this leaves the door open to experimentation and "interpretation". This is partly why statism is so chaotic, because law is not regulated by a matrix of explicit agreements, each of which can be opted out of, but is just written down and "interpreted" and then applied to all in an area. This is bad enough in clear contracts, the vagueness of the constitution only amplifies this problem.

"insure domestic tranquility,"

What does that mean? Insure is obvious, it means to guarantee, to make certain.

Tranquility is also obvious, we have pills for that. You can have tranquility through meditation and avoiding conflict.

But what does "domestic" mean? Two possible interpretations:

1. Domestic as opposed to foreign in the sense of being within the borders of the United States as opposed to within the borders of the United Kingdom.

2. Domestic in the sense of inside somebody's home.

And both interpretations have been accepted. The US Federal Government, by this statement, has the power to interpose in your home to insure that you are tranquil. Well what if you don't want to be tranquil? In fact, why is tranquility something to be strived for at all?

I wouldn't want to be tranquil if the world around me was going to hell, but the state can cite this passage and "insure domestic tranquility" whether you like it or not. This is not a passage I, nor do I suspect many others, would have approved of.

"provide for the common defense,"

What does that mean? Provide means to pay for. So the Federal Government is to pay for the common defense, how generous of them.

What is common defense? Well I suppose it is defense against any common danger. Now what are the common dangers? Well there would be dangers of invaders from abroad, bank robbers, rapists, murderers, arsonists, theives, etc. - but there are many others.

Though other types of dangers could be a lack of work, education, money, opportunity, bad health, termites, rats, etc. Almost anything that exists could be viewed as a common danger. Does this authorize the state to intervene in these areas? Indeed it does, and indeed the government has.

Can you think of something that doesn't represent a common danger? Drinking too much water could drown you, taking too many aspirins could kill you, eating too much meat could give you a heart attack. There is nothing we are not in danger from. This gives the state wide open doors to provide against any danger, as long as we experience it on a common ground.

"promote the general welfare,"

Promote - now that's a very active word. You don't just allow something, you pick it up from where it is and you promote it!

General welfare - now what does that mean? Or more properly, what doesn't it mean? Is there anything that is excluded? It could be anything, and it is to be promoted.

"to secure the blessings of liberty to ourselves and our posterity,"

Whatever is meant by "the blessings of liberty", "we the people" are not only binding ourselves but also our posterity to our particular interpretation. Is it proper to bind our children into an arrangement, which as adults they will have no opportunity to consider?

Would you counsel that I run up a debt and ask my children to pay it? This is essentially what is being done, is it not? The current state is running up a debt so fast that we will not live long

enough to pay it off.

"do ordain and establish this constitution for the United States of America."

Very solemn words. "We the people... do ordain and establish this constitution...". That is a fraud. "We the people" have no power to do such a thing, we have never done it, the people who put this together had no such right to do this over their contemporaries - let alone over you.

There is no reason we have to do this. This is merely the statement of some men, who are now dead, who had no power to speak in the name of their contemporaries, and never asked for such power, and it has been merely put over.

Let me read from Article 1, Section 8 of this constitution which we were told has limited powers:

"The Congress shall have Power To lay and collect Taxes, Duties, Imposts and Excises, to pay the Debts and provide for the common Defense and general Welfare of the United States; but all Duties, Imposts and Excises shall be uniform throughout the United States;"

So the congress shall have the power to do two things:

1. Lay
2. Collect

To lay in this sense means to levy. That is, these men called state have the power to decide how much money you have that they want. And then the power to collect whatever it is you have that they want. Where is the limit? Well there isn't one. They can do this insofar as taxes, duties, imposts and excises.

But there is a modifier stating that these taxes, duties, imposts and excises shall be uniform throughout the United States. But what does that mean? Well it simply means that if you collect a 10% income tax in Virginia, you must also collect a 10% income tax in Massachusets.

But at what level? 10%? 40%? 80%? 100%? 150%? It doesn't matter, as long as it is uniform.

And what is to be taxed? Well there is no limit at all, the congress has the power to lay taxes.

For what purpose? To pay the debts. What debts? It doesn't say, it could be any debts. If the congress wants a brothel and runs up a debt, of wants the best medical services on the planet, they can run up debts for that and tax you for it.

And provide for the common defense, whatever that may mean. And the general welfare, whatever that may mean. Where is the limitation? There is none, that is exactly what it says, and exactly what it means, and the state has behaved very much in accordance with the constitution.

"To borrow money on the credit of the United States;"

What does that mean? Well it means that congress has the power to borrow money on YOUR credit. They don't borrow money against their own personal credit, they borrow against the expectation that they can tax YOU, without any limit whatever, whatever they think you're good for, and what your posterity is good for, they can borrow against to pay off THEIR debt. There is no limit.

"To regulate Commerce with foreign Nations, and among the several States, and with the Indian Tribes;"

What does that mean? Well it means that congress can regulate the trade that occurs:
1. Between this and foreign states
2. Between the domestic "states" of the union

How far does this go? Well a test for this has already shown us. If a man raises chickens on his farm, and also raises grain on his farm by means of which he feeds his own chickens, that man is affecting interstate commerce and can be regulated by congress. Why is this?

Because if the man did not feed his own chickens with his own grain, he would have to go off his farm to buy chicken in exchange for grain. And conceivably, the grain he produced could go across state lines. Therefore, the fact that he chooses not to sell his grain impacts interstate commerce negatively, thus congress has the power to "regulate" this man.

Another example is a case where a judge determined that window-washing was a matter of interstate commerce, because a window-washer can look into a window, see a telephone which crosses state lines, and is thus impacting interstate commerce and can be "regulated" by congress. Well that just opens it up now doesn't it? Practically speaking, congress has the power to regulate all commerce.

Imagine if a delegation from a foreign country came to you and determined that you would make an excellent dictator, and wished to appoint you as such. They would offer you unlimited power to tax (presuming the tax rates were uniform) and borrow against the credit of the nation, to provide for whatever you deem to be "the general welfare" and "the common defense" as defined by you, which is to say you can tax whatever you want FOR whatever you want. As a budding dictator, what else could you ask for?

But these are precisely the powers given to congress and used by congress, and these powers came FROM the constitution, purportedly an instrument of limited powers. Where is the limitation? There is none. The US constitution is an instrument of LIMITLESS power.

Lets go at bit further down:

"To define and punish Piracies and Felonies committed on the high Seas, and Offenses against the Law of Nations;"

Note that "Nations" is plural. That means that congress has the power to define as piracy a shipload of vegetables crossing from the bahamas to Miami, and order something done about it.

Suppose you picked up the Soviet Constitution (I don't know if there was one, so if not just go along with it), and it said:

"The Supreme Soviet has the power To define and punish Piracies and Felonies committed on the high Seas, and Offenses against the Law of Nations;"

Would that give you the impression that they intended to operate beyond their continental limits? And is this not precisely what the United States Federal Government has done? Perhaps this explains much of the anti-American sentiment abroad.

Now you are probably not militant, and don't wish ill upon anyone. You wish to live a peaceful, productive life and be a good neighbor, but when you travel abroad or abroad travels to you, can you not see the glint in their eye?

"We know all about you Americans. You are two-faced."

You aren't two-faced! But you see they have experienced the constitution first hand, whereas you

as the tax cattle are kept fat, productive and protected inside the pen, with a portion of the product of your labor used to fund wars abroad.

"To make all Laws which shall be necessary and proper for carrying into Execution the foregoing Powers, and all other Powers vested by this Constitution in the Government of the United States, or in any Department or Officer thereof."

Now that particular clause is called the "grab-bag clause" in Washington DC, and attorneys know that whenever they lack precedent or authority anywhere else in the constitution, they can always cite that.

But this argument is ad-hoc and specific to the United State constitution, so let me say this:

All language has to be interpreted, and will have some vagaries. This includes private contracts between two people. This is why private contracts can only be functional as a reminder of something explicitly agreed upon by two individuals. Now it is impossible for both parties to be in perfect harmony of understanding as to the agreement, and this disharmony will eventually manifest is some sort of conflict. Perhaps the contract can be referenced, but if the conflict persists they will have to consult a mediator. If the conflict still persists, then what? Well then both parties must break off the agreement.

A state constitution is like a contract except that it is involuntary. So even if it were written to clearly limit the powers of the state (which the US constitution is NOT), if individuals cannot break off (which they can't in the US), then you are stuck with a contract that cannot be exited. And the result is an artificially high level of conflict, because the contract can't simply be exited as occurs in normal, sane human interaction, we are artificillay stuck in this contract and this leads to a STATIST level of conflict.

The freedom to leave regulates behavior. State constitutions prevent leaving, and hence lack the primary means of regulation on a free market: freedom of association.

First Barbary War

There were 4 Barbary States in North Africa: Morocco, Algiers, Tunis and Tripoli. Morocco was an independent kingdom, the other 3 were loosely connected to the Ottoman Empire. Morocco was willing to negotiate a peace without tribute in 1786.

In 1785, Algiers declared war on the US and attacked several US ships which were no longer protected by the British navy, and in 1789 the US adopted the constitution. This allowed the taxes necessary for the Federal Government to buy off the Algerians. In 1801 Thomas Jefferson refused to pay tribute to Tripoli, and sent an invasion force, and in 1805 the US didn't pay tribute to Tripoli.

But it is important to recognize that the reason the Barbary STATES could be bought off: it's because they were states, and the reason the piracy was so systematic is that it was state-sponsored.

That said, American merchants could rent escorts from the Dutch and Spanish in the Mediterranean, and while the Spanish Galleons were obsolete by then, they could still destroy the Barbary dinghys without much trouble. The Barbary pirates would attack merchants even if they flew the flag of a country that paid tribute, and so the only sure way to not be attacked would be to rent an escort.

And ships that aren't being used cost money to just sit around. If merchants across the board rented escorts, then barbary pirates would either have to find a way to beat the escorts - in which case there would be no more raids but everything would be a naval battle - or the pirates would have to find productive jobs, likely selling off their fixed capital (the ships).

In response, less merchants would buy escorts, though new would-be pirates would have to acquire ships all over again, and it would be unlikely if they could gain enough booty to cover the costs of a new ship before the merchants started hiring escorts again.

The economics of the Barbary wars just don't make any sense. But of course neither did the suppression of the Whisky Rebellion, which did not result in the Federal Government being able to collect the tax. What other motives could the US Federal Government have had for starting a war?

The United States government had just signed the Naval Act and recommissioned the navy in 1794, and the conclusion of the war was a successful military adventure by the US Federal Government.

The War of 1812

The War of 1812 started on June 18, 1812. The modus of the war was the conscription of American sailors to serve in the British Navy (Royal Navy), who at the time had a shortage of experienced sailors. Many British sailors defected during the revolutionary war to the Americans because they were paid better.

British Prime Minister Spencer Perceval was the main advocate of this policy, which was very unpopular in Britain and viewed as suicidal. Perceval was unwilling to negotiate with the United States. On May 11, 1812 Perceval was assassinated, and replaced by Robert Jenkinson (often referred to as Lord Liverpool). Jenkinson was willing to stop the conscription, but we are told that congress didn't know about this at the time.

The United States congress declared war on Britain 38 days later, and their first move was to invade Canada. The United States army was very much unprepared, but was thrust into war, and it should go without saying that the British army in Canada was likewise unprepared.

Because Britain was waging a war against Napoleon, they had few troops to spare, yet were still able to repel the American invasion of Canada. By 1815, after Napoleon had abdicated in Europe, the British were able to spare the needed troops to make 3 attacks into the United States:

1. Toward Baltimore. The British were able to capture and burn down Washington DC, but were unable to capture their main objective of Baltimore, and sailed back up to Canada.

2. Toward New York, but were defeated early in the attack at Plattsburgh.

3. Up through New Orleans, but were defeated at the battle of New Orleans.

Some questions need asking:

- If the modus of the war was the conscription of American sailors, and Jenkinson was willing to stop conscription, why didn't congress try to negotiate as soon as they learned of Jenkinson's appointment? Even if they didn't know of it when they declared war, they certainly knew by 1813.

- Why would congress declare war and invade Canada when the United States army was in such a shoddy condition? Why wouldn't they pass an act to build up the army like they did with the navy with the Naval Act in 1794? What's the rush?

- And if saving the sailors was the reason for a rush to war, why wasn't there a rush to war a year sooner?

Why did congress rush to war as soon as they got news of Perceval's death and the appointment of Prime Minister Jenkinson who was willing to negotiate, thus eliminating the modus for declaring war on Britain? Well to ask it like that is to answer it.

The US congress wanted an excuse to declare war on Britain and invade Canada. During the Revolutionary War, Washington invaded Canada, believing they would defect to the United States (wisely, they didn't). It took about three weeks for news to cross the Atlantic in 1812, and it took some time for news to cross over land. That's 21 days by sea, plus 17 days by land for the US congress to hear of Perceval's death before they declared war.

They learned of Perceval's death, but the US army was unprepared for war. They didn't have time to rebuild the US army, but news of Perceval's death and Jenkinson's ending the conscription policy would soon spread throughout the colonies, thus the US congress had to STOP Jenkinson from ending the conscription policy lest they lose their modus for war. And the only way to do that was to declare war on Britain before peace could emerge.

The Civil War

I very much wanted to believe the Confederacy was not fighting for slavery. And I did believe this for a long time, and I still believe most confederate soldiers were not fighting for slavery, and that neo-confederates today deeply oppose slavery. But in the various charters for secession, expanding slavery into the western territories is cited as a reason for secession, and the political class in the confederate states all had slaves.

The specifics are unimportant, but the Confederate States seceded. Union troops were stationed at Fort Sumter in South Carolina. South Carolina seceded, and so the Union troops were trespassing and wouldn't leave, and so the Confederates fired on the Union troops. Lincoln then used this as an excuse to declare war.

Lincoln, in the prosecution of the war:
- Suspended Habeas Corpus
- Imprisoned dissident reporters
- Conscripted hundreds of thousands of men and fought battles in the north against "deserters" (read: confederacy-supporters)
- Allowed Slavery in the Union States

In 1863, Lincoln issued the emancipation proclamation, which promised to free the slaves in the states that had joined the confederacy (but not in the slave-holding states in the Union).

One might say Lincoln did this because he cared for the negro man, and didn't command the slaves be freed in the loyal states for political reasons. I do not believe this is the case for 3 reasons:

1. Lincoln had stated very clearly prior that he viewed black and white people as incompatible and that he was indifferent about slavery.

2. Ending slavery in the South made all of those blacks loyal Republicans for the foreseeable future. It also killed the expansion of slavery (and thus the democrat party) westward, and any possibility of the issue being revived. Northern industries liked tariffs which kept out foreign industrial goods and subsidized northern industrial goods, and the south paid most of this tariff. Ending slavery and preventing it's expansion westward assured Republican success.

3. Britain was contemplating entering the war on the side of the Confederacy in order to keep the US split and possibly pit the two against each other. But slavery was extremely unpopular in the UK, in fact slavery had been outlawed in the British Empire in 1834. The emancipation proclamation made the war about slavery, and the UK couldn't enter the war on the side of slavery.

Lincoln had plenty of non-altruistic reasons to issue the emancipation proclamation, and clearly had no principles as evidenced by his approval of Sherman's scorched earth tactics and shutting down dissent in the north.

If Lincoln's prime goal was to abolish slavery, he could have given an Emancipation Ultimatum. All states would be allowed to secede if slavery was abolished in their state. This would have the interesting effect of pitting the politically connected slave-holders against the majority of southerners who didn't own slaves and just wanted secession.

It's a simple and elegant solution that forces the south the solve the problem itself, and it makes perfect sense that Lincoln wouldn't do this if we understand that Lincoln cared about the Republican party and his industrial patrons. This is why he engaged in politician-speak about "the union" and how "a house divided against itself cannot stand". These were not grand speeches, this was empty and vague political babble, only half a step removed from being as meaningless as Obama's "hope and change".

Slavery and Progressivism

Slavery can and was sustained on a free market. It was sustained in medieval Ireland, which didn't have what I would call a state and is otherwise a good example of a stateless society. The reason being that slavery was believed to be legitimate by the general population in medieval Ireland, and this is the only way slavery can be maintained.

(Similarly, in a stateless society there can be laws against murder, assault and theft. As well as provisions on how much a husband can beat his wife, which is certainly "authoritarian" by most people's subjective perceptions of authoritarian. Laws against theft are sustained on a free market just like laws supporting slavery and wife-beating are sustained on a free market: it all comes down to the belief of the populace.)

If a given population on a free market would no longer sustain slavery, then a state can sustain slavery against a free market. **The way this works is that the population doesn't support slavery directly, but does support the state, and the state supports slavery.** I call this "proxy support of slavery". The population on the whole isn't very favorable to the slavery laws, but tolerates them. This was helped in the US where racism was rampant, and racism made Americans more tolerant of slavery since in the US blacks were enslaved.

I do not believe pro-slavery sentiment was so high that slavery would be sustained on a free market (as evidenced by the fact that black people were employed to as high a position as the various anti-black employment laws would allow). This is why the fugitive slave laws were necessary: slavery could not be sustained on a free market in the US at the time.

In Brazil, the state simply declared slavery abolished, though did nothing positive about it. No troops were sent out to break up slaves from the plantations. Slavery simply ended because the Brazilian state was no longer enforcing slavery.

I do not know of any examples of this, but it is possible that a state can end slavery against the free market. That is, you have a society that is so pro-slavery that it can be sustained on a free market, but this society also believes in the state. If this state outlaws slavery, the society may stop having slavery not because they would have on their own accord, but because they believe in

the state law. This is systematically unlikely in a democratic state, because if the population directly supports slavery, they will vote for a slavery-supporting state. It could happen in a monarchy.

This is the basic idea of "progressivism": using the belief in the state to legalize / make illegal actions according to the "progressive" ideal.

The problem is that there is no guarantee that any "progressive" movement is going to be made up of people who advance society down the optimal emergent path faster than would have occurred on a free market. In fact we have very good reason to believe they are not:

- Most "progressives" support increased state control of medical services
- Mandatory "education" camps
- Seizing upwards of 50% of the product of your labor
- Subsidizing nonworking people
- Raising the minimum wage

For us it's easy to see that slavery was something that needed to be ended, but the self-proclaimed "progressives" of today will cause more harm than good. Their notions of the good are indelibly connected to the system they are in, and so will view all deviance from this system as a deviation from what is "normal", and thus will not advocate radical change.

They see the current situation, and see the trend, and correctly understand that the world has been getting "better" over the centuries. They then make an error by assuming that the current specific trends must be a continuation of the general trend of improvement. That is, universal healthcare is supposedly part of the long arc of progress.

Opposing the state is not even considered to them, because it goes against the current **specific trends**, or at least is not salient in them. The thinking goes like this:

- The world has been getting better over the past thousand years
- Over the past 20 years, there has been a drive toward increased state control of the economy
- Therefore, increased state control over the economy is progress

This problem is exacerbated by the fact that most supporters of the free market in the United States do so out of tradition, and tend to uphold other traditions. Thus free-markets get lumped in with racism, religiosity and, paradoxically, aggression abroad.

Of these, racism seems to be the only fair association, but it is not an aggressive or authoritarian racism, but a voluntary racial communitarianism. Perhaps this is technically "racism", but it is not the hateful bigotry that the word "racism" conjures.

World War 1

- Austria vs. Serbia

Austria seized Bosnia, which is ethnically mostly Serbian. A Serbian nationalist killed Archduke Franz Ferdinand, which prompted Austria to make demands on Serbia so unreasonable that Serbia would refuse and go to war.

Serbia actually gave into these demands, but Austria clearly just wanted a war, and declared war on Serbia. Russia, seeking land in the Balkans, declared war on Austria in response. Germany, being allied to Austria, declared war on Russia. Germany also declared war on France since France was allied to Russia.

- Conflict between Britain and Germany

Germany was becoming an industrial competitor to Britain and the German Navy, if I recall, was the second largest in the world at the time. In short the British wanted to keep Germany contained in any way.

- Italy remains neutral despite being a part of the triple alliance because it was said that the war with Serbia was aggression on the part of Austria, which was true.

- Germany, in an attempt to quickly knock out France, invades Belgium. Britain uses the invasion of Belgium as an excuse to declare war on Germany.

- The Ottoman Empire then aligns with the Germans and Austrians, the Italians align with the French, British and Russians.

- In 1917, caused by the pressure put on them by the German, Austrian and Ottoman invasions, the Russian Monarchy begins to fail and there's a revolution in Russia, which was promoted by the Germans. This knocks the Russians out of the war, and so the Germans can now focus on the war with France and Britain.

- In the US, the bankers greatly overestimated Russian, French and British fighting ability / underestimated German and Austrian fighting ability, and so gave many more war loans to the British than the Germans. **Thus the banksters had a vested interest in seeing the "Allies" win.**

- Thus the banksters lobbied the US state to get the US to enter the war after the Russian revolution, because if the French and British lost, the banksters would have been out a lot of cash. Thus world war 1 can appropriately be called a bailout war.

- Following the exit of Russia and the entry of the US, the Germans were on the clock to finally knock out France, and they almost did. Were it not for the arrival of US troops, it is clear that Germany would have won.

- After Germany surrendered, the "Allies" continued the blockade of Germany until June of 1919, 7 more months.

My analysis:

I oppose all states.

Given the states, Austria should have made a unilateral deal with the Serbians, forcing the Serbians to pay reparations, yielding territory to the Bulgarians, but then years later giving up Bosnia to Serbia.

That way the Austrian state could save face, but give up a territory that was clearly more trouble than it was worth.

Given the war with Serbia, and the ensuing war with Russia, Germany made the "correct" move in declaring war on France. The French army was mobilized, but France did not declare war on Germany. If Germany were to send the bulk of their army to Russia (a war which the Generals knew would take a long time), then the french could have made a surprise attack.

Germany also made the correct move in invading Belgium because the passage through Belgium made the invasion of France much easier and would have ended the war quicker.

Remember, since I do not respect states, it makes no difference to me whether Belgians of French

die. If 10,000 Belgians die, but this causes France to fall a year sooner thus saving 500,000 Frenchmen and 500,000 Germans, I would give the invasion of Belgium my *relative endorsement*.

However, the invasion of Belgium was used as an excuse in the UK to declare war on Germany, and this made what would have been a quick German victory into "The Great War". But I do not fault the Germans for not forseeing that, especially since Britain taking offense to the "self-determination" of other states being violated is transparently hypocritical.

This was just a quick run-down of WW1. I'm sure you know about all this.

The key point is the banksters getting the US into the war following the Russian Revolution, which is a point I will outsource:

http://modern-us-history.suite101.com/article.cfm/effect_of_loans_trade_on_us_entry_in_war_1917

http://www.lexrex.com/enlightened/articles/warisaracket.htm

Nazi Germany in World War 2

Well I've written about the revolutionary war, the constitution, now it's time to gore another sacred cow: WW2.

I'm assuming you know the basics of Nazi Germany in world war 2, so this will just be a sheet making all the case that needs to be made.

http://www.jrbooksonline.com/HTML-docs/David%20Hoggan-The%20Forced%20War.htm

http://www.jrbooksonline.com/HTML-docs/Polish_Atrocities_intro.htm

Germany in World War 2:

The economic ideology of Nazi Germany was similar to that of the US. The German government was larger as a percentage of GDP, but the basic idea of fascism - the corporate state - was in full bloom in the United States. The idea was to combine industry with government - high taxes, high subsidies, and high regulations. It was NOT a clash of ideologies in the main, it was a clash between the interest of states.

The Nazi Economic policies were disastrous, nominal wages rose but real wages fell under Hitler.

German invasions of various states:

- Austria: Austrians volunteered for the German Army at a rate similar to the rest of Germany. German troops were welcomed into Austria, and Hitler was from Austria.

- Poland: The Polish Government reapportioned land, denied employment to the Germans. This was used as an excuse to invade Poland.

- Sudatenland: Land and wealth redistribution schemes favored Czechs to the German Minority. The seizure of the Sudatenland, presupposing the validity of "ethnic groups", was valid. There were about 4 million Germans in the Sudatenland. In comparison, there were about 6.6 million Germans in Austria.

- Czech Republic: Simple act of aggression, seizing the remainder of Czech. Slovakia was not seized.

- Norway: A great deal of iron ore from Sweden passed through the port of Narvik. British warships were using Norwegian ports, to the exclusion of German warships, while Britain and Germany were at war. At any point Norway could have shut off the spigot. That is, Germany could have been losing the war against Britain and France, and then Norway could have shut off Narvik, but Germany would have been powerless to invade Norway in response.

The battle of Norway should really be called the battle of Narvik, since that was what it was about. Many were puzzled as to why the British sent troops to Norway after it was clearly too late to stop them from seizing most of the populated areas. The British kept sending troops, and the Germans kept their foot on the gas until Narvik was captured.

Because Norway was not neutral, the attack on Norway get my *relative endorsement*. Remember, I oppose states per se, but given the states, the German invasion of Norway was not an act of aggression.

The invasion of Norway was a stretch of German resources, and no more would have been invaded without cause than Spain or Turkey (or Yugoslavia had Italy not invaded).

- Denmark: The invasion of Denmark was a prerequisite for the successful invasion of Norway. The Nazis did not control the domestic affairs of Denmark, and the Danish government surrendered in two hours of the invasion. The German occupation allowed the Danish government to function at first, but later on in response to increasing Danish resistance, the Germans took direct control and attempted to seize the Jews, who luckily escaped to Sweden.

- France: Declared war on Germany

- Holland: More Dutch soldiers joined the German army than participated in the resistance. Given British fanagling in Norway, and that Holland was directly situated in a prime position next to the Ruhr and the north sea ports, the invasion of Holland was strategically understandable.

Remember that Hitler didn't know how successful the invasion of France would be:

Both armies had 3.3 million men
The Germans had more aircraft, the French had more tanks and artillery
The success of the attack through the Ardennes wasn't known entirely

If the war in France led to a stalemate like that which occurred in 1915, then a British co-opting of Holland would facilitate attacks against the Ruhr and north sea ports. If that occurred and British troops started being moved from France to a now-allied Holland, the British would be at a tactical advantage, because from Holland they could attack EITHER the Ruhr or north sea ports, and the Germans would have to at least in part split their forces to defend both critical points, while the British only had to defend the portion of Holland where all the people were. This also would have brought the war to German soil.

Even if the Germans had defeated France without invading Holland in 1940, they would have invaded Holland eventually because they went to war with the USSR and couldn't have Holland serve as a launch-pad then either.

- Belgium: On the way to France, same problems as with Holland.

- Greece: Italy invaded Greece from Albania, but was unable to conquer Greece. Greece wasn't able to push Italy out of Albania or invade Italy, but Greece was now at war with the Axis, and was in bombing range of the Romanian oil fields for British bombers. Peace with Greece would have been like peace with Holland, that is Greece was apt to now align with Britain if Germany

became overstretched. And because Germany was unwilling to break off the alliance with Italy, they had to invade Greece.

- Yugoslavia: Yugoslavia was dominated by Serbia. The public of Yugoslavia was anti-axis and pro-USSR. In world war 1 Russia used Serbia to cause problems and divert resources. That is in order to be safe the Austro-Hungarian Empire had to spend more resources on the war with Serbia than the Serbians mustered against Austria, and this was while Austria was fighting a war with Russia. A similar thing could have been done during Germany's war with the USSR.

Invading Yugoslavia allowed the Germans to knock them out independently and to focus on the USSR.

It is better to fight one army of one million men, then another army of one million men, than it is to fight both armies at once. Or in this case one army of half a million men, and then an army of 10 million men, than to fight both at once.

On March 25 1941, the Yugoslav Regent Paul Kadadordavic agreed to join the Axis with Italy, Germany, Japan, Bulgaria, Romania, Hungary and Finland. This was unpopular in Yugoslavia, and he was replaced by Peter II on March 27. Peter II maintained the alliance with the Axis, but it was clear that Yugoslavia was none too enthused.

During world war 1, Italy was originally allied to Germany and Austria-Hungary, but later joined the British, French and Americans. German planners were cognisant of fair-weather allies.

I am not giving my endorsement of all of these invasions, I am explaining the rationale for each invasion. Remember invasions cost lives, equipment, fuel, ammo and popular-ideological support within and without Germany. War is expensive, Germany had limited resources, and Hitler wasn't just invading places precipitously.

- USSR: As bad as Stalin's purges were and meddling was, the reason for German early success in the USSR was surprise. When looking at the USSR, there were two real avenues to win: cut off the north, and cut off the south. Cutting off the ports in Karelia (north Russia next to Finland) Archangelsk and Murmansk would prevent war material from coming in from the US. Seizing the oil fields in the Caucasus would cut the USSR off from their main source of oil. Neither of these critical points were taken.

Moscow was not critical. Many thought that the war would be over if the Germany captured Moscow, and I have no idea how anyone could think this. The war in Russia didn't end when Napoleon captured Moscow, and the Soviets were willing to relocate entire industries away from the German invasion. The initial German invasion was a failure, and all of that land captured had to be, at least partially, controlled by the German military government, which cost more than the land was worth.

The only two exceptions would be the Donestk basin which had excellent mining facilities and the general farmland area between Kiev and the Crimea. Perhaps you could say that those areas provided more value than the troop cost of suppression, but that didn't help much in the war with the USSR because minerals were not the limiting factor in German offenses, petrol was, and while additional surplus food production was definitely useful given the closing of imports by the British fleet, it was not critically valuable.

And all of this happened without any US intervention, except the shipment of supplies which was I do not believe was critical:

http://www.onwar.com/articles/0302.htm

The war was in doubt between June 1941 to February 1943, so lets be generous and say for 20 months. Between 1941 and 1943, USSR GDP averaged a GDP of $313 billion, and my best guess

for USSR GDP during the months that the war was in doubt is $522 billion. (Though this is misleading, as the USSR was outproducing Nazi Germany even when they had a lower GDP.)

The US gave the USSR $11.3 billion over the entire 45 months during the war. My best guess is that $5 billion worth of material was given during the months the war was in doubt. This would be less than 1% of USSR GDP. I don't like using GDP for anything in general, but in this case it gives us some idea of how much was produced and how much the lend-lease program really did.

Japan was allied to Germany, but did not declare war on the USSR. On December 7 Japan attacked the US, and offered to attack the USSR if Germany declared war on the US. Given that the initial thrust into the USSR had failed and the German army was practically immobilized by the winter, Hitler was looking for a way to apply immediate pressure to the USSR before they recovered, and a Japanese attack on Vladivostok and thrusts across Siberia could do that.

While Japanese ground forces, as far as a war with the USSR was concerned didn't have any tanks, they had excellent infantry, superior aircraft and a navy that could assist in coastal operations. And once Vladivostok et al was taken, the push into Siberia would be over area with minimal infrastructure in which large armored forces would be of dubious value.

But Japan did not invade the USSR, and it makes sense for Japan: if they defeated the USSR, Germany was in position to take the good stuff in Russia while Japan would get Siberia, and then there would be a single state: Nazi-Germany / USSR, which would be the most powerful state in the world, right on their border.

The second offensive toward Stalingrad failed. Stalingrad was also not as close of a fight as is portrayed, because the battle of Stalingrad was really the battle of the Caucasus oil fields. Capturing Stalingrad would have prevented Soviet reinforcement of the caucasus. The city itself wasn't very valuable, nor was the territory captured in the push from Donetsk very valuable.

And even if the Germans captured Stalingrad and there were no Soviet forces so close in vicinity as to have the same effect as being in Stalingrad, the German army would still have to have enough power left to drive into the Caucasus and capture the oil fields, which were in very mountainous and defensible terrain. This is because the Germans already sent out an army fitted to fight in the mountains, and that army was unable to capture the oil fields.

But the Germans lost at Stalingrad, and that was the end of it.

In Europe there were three problems occurring between 1939 and 1945:
1. The German State murdering selected groups of people
2. Combat deaths
3. State control of economies

I am going to be America-centric:

If Roosevelt wanted to save the lives of minorities, the easiest way would be to open borders and offer to accept all of the peoples Hitler wanted to exterminate. This would have been useful for Hitler to purge the peoples he wanted without having to kill them quasi-secretly with the death camps (that took resources). Americans didn't even have to KNOW what was going on in central europe, they just had to open their borders and support freedom.

But because of restrictive immigration policies, those 11 million had to die, locked in Europe with a nazi beast which tore them to pieces. All of the civilians Hitler wanted to exterminate in the USSR could have been shipped to America, and this promise to not kill but deport all "undesirables" could have been made in exchange for the US not directly declaring war on Germany, or more realistically supporting British involvement. But the labor unions opposed immigration.

The US didn't deploy any ground forces against the Axis in Europe until November 8, 1942 in Morocco. The battle of El Alemein, which gave the British the advantage in North Africa in their own right, ended on November 5, 1942. The Battle of Stalingrad ended on February 2, 1943, only 4 months after the US troops arrived in North Africa.

The battle of Kasserine Pass, in which the American forces where eaten alive by a smaller German force, was fought between February 19 and 25, 1943. By the time Americans started to have an impact on the war, the Germans had already been contained by the British and Soviets at Stalingrad and El Alemein.

At the height of their power in 1941, the Germans were unable to invade Britain across the English channel. The idea that they would be able to cross the atlantic and invade America after 1943 is transparently laughable. That was all propaganda.

The Americans were not decisive in preventing a German victory. But I will assert that they were decisive in unnecessarily prolonging the war.

The situation in February 1943 for Germany was this:

- The Soviet Union was outproducing Germany. Even without US intervention, time was not on Germany's side. The US intervention certainly accelerated this dynamic, but the notion that Germany was winning otherwise is a myth.

- Germany had a large "empire" full of partisans and resistance fighters that took resources to suppress: France (41m), Poland (35m), occupied Ukraine (~25m), Yugoslavia (15m), Czech and Slovakia (15m), Belarus (~10m), Holland (8.7m) and Belgium (8.3m), The Baltic States (5m), Denmark (3.7m) and Norway (2.9m). Granted the Germans didn't use their best troops or the latest equipment to suppress these areas, it still took men and supplies.

- Hungary, Romania and Bulgaria were fair-weather allies that could (and did eventually) switch sides at any opportune moment. Romania did this in August of 1944, and the German army later had to take direct control of the Italian and Hungarian governments to prevent them from surrendering. It was more of a coalition than a true alliance.

- On paper the combined manpower of these states is impressive. In the field they were just fodder.

- There was an oil / rubber shortage, the USSR and British Empire surrounded and cut off the continent from the rest of the world.

~550K German civilians were killed in the bombing raids over Germany, bombing raids that were later determined to have little impact on war production. It was just slaughter, an atrocity. Stategic bomber pilots in WW2 were not shortening the war or lowering German production, they were just killing people who weren't able to serve as soldiers.

On January 24, 1943 (the outcome of the battle of Stalingrad was pretty much decided by then) in Casablanca Roosevelt demanded unconditional surrender on the part of Germany. This was opposed by both Stalin and Churchill. This demand for unconditional surrender was used by the German government as a propaganda tool to fight long past the point where victory or even an acceptable peace was possible.

Given the response to what Germany did in world war 1 (versailles), the German government could only imagine what would be done to them this time. Roosevelt's call for unconditional surrender confirmed this fear. German generals who knew about the Holocaust could only imagine calls for retaliation in kind, and had all the incentive in the world to fight to the end. German

troops were fighting after the Rhineland was taken, and fanatics where fighting in the hills of Bavaria and Austria after the surrender. Hitler ordered a scorched earth policy in Germany, which given the fear that the Americans would destroy Germany anyway wasn't completely irrational.

In Michael Balfour's article in International affairs, "Another Look at 'Unconditional Surrender'", he wrote:

"… those Germans-and particularly those German generals-who might have been ready to throw Hitler over, and were in a position to do so, were discouraged from making the attempt by their inability to extract from the Allies any sort of assurance that such action would improve the treatment meted out to their country."

From the Neue Zürcher Zeitung, a German Language Swiss newspaper:

"So far, the Allies have not offered the opposition any serious encouragement. On the contrary, they have again and again welded together the people and the Nazis by statements published, either out of indifference or with a purpose. To take a recent example, the Morgenthau plan gave Dr. Goebbels the best possible chance. He was able to prove to his countrymen, in black and white, that the enemy planned the enslavement of Germany. The conviction that Germany had nothing to expect from defeat but oppression and exploitation still prevails, and that accounts for the fact that the Germans continue to fight. It is not a question of a regime, but of the homeland itself, and to save that, every German is bound to obey the call, whether he be Nazi or member of the opposition."

The Morgenthau Plan for Germany was to deport all scientists and engineers from Germany to other countries and turn Germany into an agrarian state with no heavy industry. **American** public opposition caused Roosevelt to shut up about it.

Early in the occupation, while there were still many nazi fanatics fighting a guerilla war against the Americans, Hoover was implementing the Morgenthau plan. But it was difficult to uproot industry and people, there was little political will to do so, and the recognition of the Soviet Union as the prime enemy resulted in a change to the Marshall Plan, which is credited to the German postwar "economic miracle".

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A bit of a tangent, but the reason west Germany did so well was that the Germans resisted the occupiers so much, and it was difficult to collect taxes or impose wage and price controls or any licensing or regulations. The result was that Germany was in a de facto relatively free market for the short period of time in which the boom occurred. Once the state regained it's footing, the taxes and controls were re-imposed and the boom promptly ended.

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So what would I have the US state do?

1. Open borders. Hitler wanted to purge undesirables, and this was known before the extent of the savagery was known. I know there is a real debate on the numbers of civilians exterminated in the death camps (and that debate is relevant, which I will explain in the next section) but at any rate the course of action is the same: provide a refuge. Let them in.

2. Instead of issuing an ultimatum of unconditional surrender, offer Hitler conditional peace terms in February of 1943.

Roll back the occupation of France and Belgium. That is, allow German military forces in place, but give the German Government no control over the economic affairs of the citizens in those areas. Make a 20-year phase-out of the occupation of those places.

Immediate withdrawls from Norway, Denmark and Holland on the condition that those states remain neutral (which Norway was not).

Break up Poland, Belarus, Ukraine, Latvia, Estonia and Lithuania from the USSR. Break up Croatia, Slovenia and Bosnia from Yugoslavia. Break up Czech and Slovakia from Germany.

Make arms balance agreements between Germany, Britain and the USSR, recognizing the precarious geographic position Germany is in. Breaking Austria from Germany would not be in the tradespace.

Doing both of these things would have not only saved lives from the death camps and by shortening the war, but would have prevented the whole iron curtain scenario. Racism was already becoming more stigmatized by the 1940's, by the 1970's the Nazi ideology would be at odds with the majority of Germans, and by the 2000's positively despised.

To summarize:

1. Nazi Germany would not have taken over europe if the US did not intervene.
2. Closed US borders caused many unnecessary deaths
3. The US bombing campaign caused ~550k deaths with no appreacable shortening of the war
4. US interference lengthened the war and created the Iron Curtain

Therefore, from any point of analysis, be it economic efficiency, individual freedom, or saving lives, the US should not have gone to war with Germany in world war 2.

Population in 1939:

Germany-Austria-Sudaten: 80.2 million
Switzerland: 4.2 million

Hungary: 9.1 million
Romania: 19.9 million
Italy: 44.3 million
Bulgaria: 6.4 million

Poland: 34.8 million
Czech and Slovakia: 15.3 million
Yugoslavia: 15.4 million
Greece: 7.2 million

USSR: 168.5 million
USA: 131 million

Britain: 47.7 million
France: 41.7 million
Belgium: 8.3 million
Holland: 8.7 million

Denmark: 3.8 million
Sweden: 6.3 million
Norway: 2.9 million
Finland: 3.7 million

Lithuania: 2.6 million
Estonia: 1.1 million
Latvia: 2 million

In February 1943, Germany had a population of ~80 million, Italy a population of ~44 million, and their other allies in Europe had a population of around 39 million. This totals 163 million.

The Axis states were occupying an area that had 143.8 million people plus however many were occupied in the USSR, which I estimate was about 40 million, so they were trying to suppress 183.8 million people.

They were doing this while at war with Britain (47.7 million), Canada (11.2 million) and the USSR (128 million given the land lost during the invasion), which totals ~187 million. I will presume the resource equivalent of Australia and India were focused on the war against Japan.

If we presume Canada and the UK were as militarily effective man-for-man as the Germans, and there were 59 million of them vs. 80 million Germans. This leaves us with the equivalent of 21 million Germans in surplus. Let us further presume the Finns are as militarily effective as Germans, giving us 24.7 million "Germans".

If we presume the USSR was as militarily effective man-for-man as the Italians, Hungarians, Romanians and Bulgarians, and there are 83 million non-German Axis vs. 128 million Soviets, this leaves us with 45 million surplus Soviets. So it's 24.7 million surplus Germans vs. 45 million surplus Soviets.

In this hypermodal analysis, the war appears roughly equal, but this is misleading. By 1942 Soviet Weaponry had advanced while that of the German allies did not, and so Soviet troops, man-for-man, were superior to the German allies, though I would not say as effective as the Germans themselves, and the German allies, as stated before, were ready to crack.

And those 187 million people which took resources to occupy, what did they produce? Maybe munitions, a few volunteers.

The Axis forces had more oil shortages than the British who had the Persian Gulf and the Soviets who had the Caucasus. The German drive to the Caucasus was stopped at Stalingrad, and the drive to the Suez canal and Persian Gulf was stopped at El Alemein.

Now I am not going to make any case about the Holocaust, I'm in enough hot water saying what I have already said throughout this book. But I stated before that the bombing campaign over Germany caused ~550k German deaths directly, and we can only estimate how many total deaths were caused by American intervention. If we presume than Hitler had 11 million people killed, that makes it seem like a war as close to a battle between "good and evil" as you can get.

But if we presume that the Nazis only killed 250,000 people in the various labor and death camps, then that opens the prospect of the American intervention causing more deaths than the Nazi death camps. THAT is why the debate over the Holocaust is relevant. It's not about making the Nazis out to be heroes. But it definitely would take a big bite out of Americanist mythology and cause people to take a more critical look at everything else that was done during that general era.

When sharing this writing to other people, even after reading it, they will respond, "but Nazi Germany declared war on the US." At first I thought it was only a few dolts who were saying that, but then more people kept bringing this "point" up. I was stunned.

Hitler declared war on the US because he wanted Japan to attack the USSR. When Japan did not attack the USSR, Hitler found himself at war with the US, which wasn't something Hitler wanted just for the heck of it. The US didn't have to actually send troops over to Europe, and the unconditional surrender doctrine prolonged the war.

If we remove the militarism, and remove the persecution of various untouchables by letting them leave Germany, Nazi Germany looks a lot like Germany today. Remember the Nazi Party was popular because of the military victories. In 1943, when they started losing, they may have been unpopular but Roosevelt's call for unconditional surrender made the war no longer about the Nazi regime but about Germany itself.

State of Mind

Fantasy on the Fritz

If there is one thing to be taken from this book, it's that the state is an idea. The people viewed as agents of the state - lawmakers, police and military would not be able to maintain their positions without the *consent* of the population. If a significant portion of the population, the exact percentage I am not sure, is opposed to a given state, then the people who make up that state will not be able to command the population as a whole. This consent need not be deeply held patriotic fervor, simply keeping your mouth shut and paying your taxes, and not giving matters of state much thought, works fine.

The fact that the state is just an idea was seen very starkly during the fall of the Soviet Union. In June of 1991, Boris Yeltsin won the country's first democratic election, and became the president of Russia. Mikhail Gorbachev was the General Secretary of the Soviet Union.

In August that year, the New Union Treaty, which would reform the Soviet Union into a confederation of states with a uniform military and foreign policy, was going to be signed. On August 19, a group of hard line communists commanded some troops to prevent the signing of the treaty.

As the troops approached "The White House", which was the parliament of the Russian republic, a large crowd formed to prevent the troops from entering the building. Gorbachev had already been placed under house arrest by the army. On August 19, Yeltsin climbed on top of one of the tanks and addressed the crowd. On August 21, the troops were ordered to attack the "white house". As the troops moved to attack the building, they were met by blockades and partisans. The troops killed 3 partisans which stormed a mechanized infantry vehicle, then abandoned that vehicle, which was then destroyed. No soldiers were killed, but the soldiers withdrew anyway.

And then the soviet union dissolved quickly after that. It's an interesting story that can be explored in much more depth, but the principle to be derived from this event was just how obvious it was that this was a battle of a psychic construct. You had the authority of the generals who organized the coup, the authority of Gorbachev, the authority of Yeltsin, the authority of the Russian protesters. And all of these authorities are mere projections.

The idea that Boris Yeltsin was "The President of Russia" is nothing more than a story. A story which the agents who follow his orders believed in, and which the petty bureaucrats believed in, and which the people of Russia largely believed in. Thus, because these people believed that story, they would follow what he said, or in disputes with each other they would cite Yeltsin as an authority when presenting their case.

The idea that the "generals" were "generals" was another story. The lower officers believe the "generals" are "generals", and so will cite orders from the generals when telling the privates what to do or as evidence when they have disputes with other officers.
Etc.

And when you see these stories for what they are, stories, the events surrounding the "fall of the soviet union" appear as an expression of mass insanity. When I read these events, I recognize

that there is no such thing as "The General Secretary of The Soviet Union", and that there is no such thing as "The Soviet Union" except as a mass hallucination.

The mythology of "The Soviet Union" fell apart as technology made the world more interconnected. It wasn't so much defeated as outgrown. In the early days, to a bunch of pre-industrial peasants, the story of the state was titanic and fantastic, but as time went on, people could see the west. Technology allowed people in what was called "The Soviet Union" to see what was going on just a few miles away in West Germany, people that they could talk to, and the story of "the soviet union" eroded.

Why would the lives of the mass of people called Russians be affected by killing Boris Yeltsin? This man picked as team captain for the Russians?

How does preventing a piece of paper from being signed, whose symbols have completely subjective meaning, prevent the mass of Russians changing who they obeyed? When one team captures their opponent's flag... what?

But of course the events at some building where some guy signs a piece of paper only have significance if the fantasy of the state is believed. And when you *consciously* recognize the state as a fantasy, you will see that you are surrounded by mystics and live in a dark age.

Hopefully, as technology gets more and more advanced, the state altogether will be outgrown. Individuals can see the entire planet, can do a Google search on any product, food or drug and see the health ratings at consumers report. This was not possible when the FDA was founded. The uninsured are getting doctor visits at Wal-mart for $45. The idea of a state monopoly on currency is being questioned more and more, and people are realizing it's no more "real money" than chuck-e-cheese tickets. In fact chuck-e-cheese tickets inflate a lot less. Gangsterism and various fanaticisms are becoming increasingly marginalized, a relic. Nuclear weapons render conventional armies obsolete. People can see each other, the veil is being lifted, and it's not scary anymore.

Bleeding Heart

I think it is important to know that children aren't "bad". Going through it logically, a child's behavior is a result of his genetics and upbringing. If it's a result of their genetics, well then it's not their fault. If your "bad" behavior was a result of your genetics, then you have no reason to beat yourself up anymore than not being able to lift 500 pounds.

If your "bad" behavior was a result of your upbringing, and remember your parents were kids - probably less intelligent than you, then you simply responded to the incentives as they were presented to you. Your habits formed in response to incentives, creating a structure of habits. This habit structure was punished or derided for not being "correct" by the same people who laid down the incentives - those kids who raised you.

A child cannot go against his parents in any systematic way. If the parent told the child he was "bad", then the child would internalize that he was indeed "bad". And this is before the child can evaluate these propositions, and so the child is taught that he is "bad", then the layers of thought develop over that to sustain this horrible fantasy. This is not to say that one enjoys believing they are "bad", anymore than one enjoys believing Barack Obama is the president or enjoys a nightmare.

Also, the parents who are just kids probably told you that "getting 'good grades' is 'good'". Why would this be? The state forces people to pay for education camps that they (mis)manage, and any alternative education plan must be approved by the designated state agency. As a kid you are effectively forced into one of these gulags, and told by the parents that "good" performance is "good". It is insane. And the parents usually buy into this nonsense.

I was constantly berated by my parents and "my" "peers" and "my" "teachers" for getting "bad" grades. It was darkly hilarious that these teachers were actually trying to teach things to anyone but the most promising and engaging kids, that is they were actually trying to teach the average person to appreciate Hamlet. What a clown show, having to sit and listen to some fat Mexican chick tell us the meaning behind The Bean Trees.

Yes, if you had a problem with some pretentious mouthbreather who couldn't get a real job telling you how many times a month you can urinate at certain times of the day, there's clearly something wrong with you. You have kids going into puberty; they are physically and mentally ready to burst out onto the world. And what is their assigned task? To spend their days in tiny little rooms sitting in tiny little desks in neat little rows being taught the most vapid, mainstream-academic horseshit there is, and then getting "graded" on it.

Some smart kids do take smart classes, and I see it like the smart people being trapped in this anachronistic Prussian system. That is those few people make the "school" somewhat worthwhile, and look around and perhaps buy into the nonsense that "everyone deserves a 'public' 'education'".

Most people were "raised" by immature kids. That is they were told to believe in "morality" defined by kids, or "morality" that is a bunch of mainstream sewing-circle nonsense. Then, before any of this damage was repaired, they were sent to 12-year education camps where their minds were systematically destroyed and were programmed to obey the state. “Remember, a .gov website is always a reliable source.”

You can see this process occurring. Early on in a semester, the kids are energetic, asking questions and doing things. Over time the habits settle into lines - sit at this table, go to this class, go home, do this work. Maybe go to this training facility.

I believe it is this combination of parochial parenting and Prussian education that makes people slide right into obeying the state. It serves the same breaking function as the religions of the past.

A Theory on the Rise of the State

When looking at the first states we're really only looking for two things: the ability to tax and use force at the margins to do so. Everything else stems from this power. Once you have tax revenue flowing in, the state then springs to life - so to speak. You can have people viewed as state officials whose decree is fiat law, but without tax revenue they have no incentive to perform their function and the state is in place but dormant. An example of a dormant state would be Pennsylvania which was covered earlier.

If an authority figure within society has the ability to issue decrees that are taken very seriously, but these decrees are not enforced at the margins, this is not a state, and this authority figure is competing on the free market against other authority figures.

And if his decrees fail to satisfy the mass of people, many will just stop listening to him, and if most still listen to him some may choose to move away and find another intersubjective consensus.

The way I see the state coming about is with a religious leader. As a religious leader he receives donations and tithes for telling stories and performing ceremonies. He may even convince people that by giving him donations, they will earn a place in the afterlife, or be reincarnated at a higher post. And so the priest has a significant ideological hold and some money.

There are two ways I see the state forming from this:

1. The priest hires what are initially bodyguards and formalizes a tithe. The tithe becomes mandatory to prevent excommunication, perhaps after some "revelation" on the part of the priest or some patsy he set up. Some of the tithe is used for social services, and thus opposing the tithe becomes analogous to opposing social services, which increases intersubjective ideological support for the tithe.

Eventually the priest, or perhaps his grandson, begins the practice of killing "heretics". And then not paying the tithe becomes heresy. And this of course is the imposition of the marginal state. And the ideology is religion. This is the theocracy.

2. The priest makes a deal with some secular authority figure and the priest then says to the masses, "follow this king or you'll be excommunicated", and this secular ruler starts issuing taxes on the threat of excommunication from the priest, and gives the priest a healthy kickback. This is the union of thrown and altar. The secular leader, and then perhaps his grandson, follows a similar path until as in the previous example before "banishing" anyone who doesn't pay "his taxes". And of course if the banished person refuses to leave and fights to the death, he would be killed, so the marginal state has been created in that way. This would be the secular state justified by religion.

These two accounts explain the existence of the two types of states that originated:
1. The direct theocracy and
2. The secular state justified by religion

Later on, after generations living under states, populations simply assumed the state as some inevitable law of nature, "death and taxes". And so the religious justification became less necessary over time, but also less tenable as more and more people became literate and able to read the various holy books, and also more sophisticated in general and less likely to take the word of a self-proclaimed prophet or priest at face value.

And if you are wondering how states are maintained today, which was a question I asked myself, just look in the mirror. Did you ever support the state? Did you ever think taxes were an unpleasant but necessary thing? Are there people in your life who act this way? This is the ideological support that is the bedrock of the state.

Confederate Soldier

Perhaps you do this too, scoffing at confederate soldiers for being so blind to the obvious issue of the time: slavery. Most people who lived in the Confederate States of America didn't hold slaves, and while certainly a very racist society, a freed slave had better luck finding a job in the south than the north. The extreme propertarian ideology in the confederacy that would uphold the ownership of slaves also upheld the legitimacy of the freed slave. The states without slavery tended toward white nationalism. The notion that the confederacy harbored more aggregate racial prejudice than the union stems from the fact that there were more black people in the south, and thus more opportunities for the extant prejudices to manifest.

Now following the civil war and the freeing of the slaves, which was viewed as illegitimate by the confederacy and led to a black racial voting bloc, race hatred came to the fore. And of course the black population voted reliably republican at the time, which was the party of big gov't and big business. Back then people were smart enough to recognize that big business loves big gov't and that "regulations" are simply barriers to entry. But by establishing mandatory 12-year education camps either run or approved by the state, the state has managed to break this connection in the mind of the public and pose as the protectors against free-market "robber barons", but I digress.

How could a confederate soldier fight for a polity that upheld slavery? The type of mind that could

do such a thing, and then imagine they were fighting for liberty, is one that most today cannot conjure. But it should be extremely easy to conjure when you analyze your own view of people in third world countries. That is, people recognize that US policies prop up totalitarians and cause damage to those folks in Africa. 80.5% of the Sub-Saharan Africa population was living on less than $2.50 (PPP) a day, and there are approximately 1 billion people in Sub-saharan Africa.

The median income for Blacks in the US is $34,218 per year. US Blacks are an extremely wealthy and privileged population, with high levels of education. While they may have something to complain about, it is definitely NOT that they lack income or opportunity compared to everyone else. And if one is concerned about fellow humans, then the last place they should look is in america.

But people still think the plight of american blacks is worth mentioning because of political barriers. The confederate didn't think much of the plight of slaves because they were slaves, nor do americans think much of the plight of africans because they are africans. If you want to see how the confederate soldier could do what he did, just look in the mirror because odds are you do the same thing.

Now sister bleeding heart with all of your compassion please don't turn to the state. The very bugaboo that created the political barriers (which are primarily barriers of mind) is not what will solve the world's problems. Pointing guns in certain directions in an attempt to transfer resources simply causes production to contract both among the taxed and those who receive goods.

If you care about the third world you will advocate 2 things:

1. Open borders
2. Free trade

On the surface this may appear to lead to rife exploitation, but let me just say that money represents goods. And if the entire world labor market is integrated into a universal structure of production, more things will be produced, and those things will be bought with whatever wages are paid. Wages will crash to be sure, but so will prices.

In the long run, i.e. 50 - 100 years, we would all be better off if this was implemented. Though in the short run the result would be a titanic transfer of capital to the third world, and in effect a giant transfer of wealth. Think high pressure to low pressure. Opening the borders would be like opening a giant vacuum chamber, sucking wealth from the first world to the third, though eventually resulting in a higher amount of wealth for all.

If you are unwilling to support freedom, and you wish to use the guns of the state to keep the africans, south and southeast asians and south americans locked out so you can live a life of comfort, then please don't blather about having compassion or imagine that you are better than a confederate soldier.

One Way

The state, justified primarily by ideology, began as a religious institution. This makes sense when you realize that the very first states had to convince people that people who didn't pay the tax or tithe should be killed. And they had to convince people of this de novo. It's not like today where there is tradition and inertia; they had to actually convince people of this. And we can thank religion for getting this ball rolling. Though it's not quite religion as we know it today, more like a cult.

"The state" makes many complex rules which lead to the formation of institutions, and these rules are simply enforced by violence.

The idea that the state supports "social cohesion" is laughable. A voluntary institution where people choose to pay leads to real, emergent cohesion. Forcing people into a program leads, and will lead, to discord and hatred, and violent resistance. And "Americans", I believe, maybe next year maybe in 20 years I don't know, but "Americans" are going to pay a very high price of their fantasies. And if you think "Americans" are paying a high price for their delusions now, you're wrong. There is going to be hell to pay, and "universal healthcare" is going to be the violinist on this titanic.

Anti-statists generally don't want to live in atomistic isolation. There are some hermits who do and are disproportionately attracted to libertarianism because of it, but by and large anti-statists are highly social just like everyone else. Humans evolved in groups, and that is precisely why you don't need a state to violently force people to group up. What's more is that these state groups, and subgroups, are completely arbitrary and way too large. But humans are so naturally collective that they can sometimes find ways to make these artificial groups work, even though there is a great deal of discord within these groups.

When one says "smash the state", statists generally view this as "smash the community", which would lead to a world of atomistic anarchy. The irony is that this belief prevents the formation of true communities. Because today, how and why would a community work together?

Utilities are managed by politically connected semi-private or state firms. Roads are managed by agents of the state. Education camps are managed by agents of the state. Police are managed by the state. High taxes means that people don't have the resources to form these community programs, and the high taxes pay for the state and corporations to do these things, leaving very little need and necessity for the community.

Remember that as soon as you get much bigger than 200 people in a community, which is Dunbars number, people start not caring about each other and start forming cliques. That's about when a community needs to split. Each person can only conceptualize about 200 people as actually being people.

And so to say that the state has anything to do with community is just retarded. 300 million forced into a community? Many strain to "make it work", having a vision of America but it won't work. And the extent to which "America", the state and the idea, has been quasi-functional for so long is a testament to how incredibly robust people are that they can succeed while believing in such a dysfunctional story.

And when people live in much smaller, voluntary arrangements, each of these communities must interact and trade with everyone else. Just like small states, a stateless world would have no option but to engage in free trade, and to abandon dark visions of self-sufficiency.

When I breathe, I understand that I am not planning something or deciding something. Everything needed to take a breath was already in place. Atoms formed molecules formed viruses formed cells formed tissues formed organs formed organ systems, or organisms. How is the brain so complex? Through calibration, emergence, evolution.

Humans got together, specialized and formed a division of labor with long distance trade and developed writing, all before any state came into existence. This is how growth, and life, happens. By humans interacting in this way. It is how the industrial revolution happened. The states and the churches opposed industrialization, even publishing horror stories about the work conditions in the factories at the time. And we now benefit from the industrial revolution that states not only didn't enable, but actively opposed.

There is only one way for the betterment of humans. And that is through understanding the

organism system, and recognizing that attempts at controlling these organism systems, even if they are nominally supported by the majority of the organisms themselves, does not work. This is not to say that everyone should be converted into a standardized mass man, it means no state.

It's not how the body works, the brain doesn't act as the state. The brain acts more like the wise man in the village who everyone else trusts. The brain sends signals and body parts will comply as the brain has proven to be worth its weight.

And the dominance of the state throughout history doesn't prove that states are necessary, just that the state has been a very persistent fantasy. Religion and slavery also dominated for quite some time.

All that said, and I hope the listener agrees with me, but all that said the stateless society is not something to be decided on. It's coming. Weaponry is getting too advanced, too fast, and maybe it will be 10 years, maybe 20 years, but briefcase nukes are coming. And as soon as briefcase sized nukes proliferate, that's it. No longer will the majority be able to simply squash the unwilling minority, who is forced to buy state services. By forcing everyone to pay, the state will then have to satisfy everyone. And that is of course impossible, and it will end.

But before that inevitably happens, let us plan ahead to make the transition from the collapsed state to the new age better. Even if you love the state, think it's a social contract, think it's necessary to solve commons and free rider problems and provide "public goods", and that taxation isn't really extortion, it's still going down.

So if you think this whole emergentism thing is crazy, whatever man. But it's coming anyway, and no, there's not going to be a fucking vote. So you're going to have to make it work whether you like it or not. There is only one way for real growth, but eventually there will be one way PERIOD.

Loose Ends

Labor theory of value Tomfoolery

The labor theory of value (LTV) roughly means that either the exchange or use value of a product comes from the labor put into it. This may be true depending on how one defines labor, which is why any "variation" of the LTV is silly and merely serves to confuse.

For example, a 1 kilo bar of gold is worth more than a 1 kilo bar of granite in exchange value, and use value for those who can use gold for making products like jewelry or electronics. Now you can still say that the value of gold is simply the value of the labor that went into getting that gold, as is the value of the granite.

So if there was a gold ingot sitting in the ground, and a man bent over to pick it up, that "labor" would be of greater value than a man who took a pick axe and chipped off an equivalent amount of granite from some ridge.

And if we analyze any product, and break down the components of its production, we will find that it all boils down to labor. A factory that produces gameboys pays the workers (ignoring the capitalist and whether his cut is inflated from state-sponsored cartelization), and uses electricity, gameboy parts and assembly equipment, and perhaps is still paying off some fixed assets. Thus one may say that labor makes up only a small part of the cost of that gameboy, but if we look at where the electricity comes from, we see that some people work at the power plants, and some people work at making computer parts used to make the gameboys.

And so those inputs come in part from labor, and the inputs of those inputs come from labor, and on down the line until we discover that everything comes from labor.

And this is all true and nice, but people won't buy a gameboy if it doesn't work, thus the value of the gameboy comes from a subjective valuation of the physical gameboy itself and not the labor that went into producing it.

To make the LTV work, one must twist and squirm to answer things that are simply and intuitively answered by the subjective theory of value. In fact, as the LTV is used today, the value of labor is subjective.

After all of this, LTV-pushers will make the non-sequitur that profits tend toward zero in any given line of production on a free market (sans peculiarities like paintings and salaries of movie stars). Of course the reason profits tend to zero is because capital is attracted to profits, from relatively overcapitalized industries to relatively undercapitalized industries, from high pressure to low pressure, and this bids profits down.

That the cost of products tends to equate to all of the inputs in the long run in any given line of production, and those inputs - when broken down, all came to be from someone's labor (even if that labor merely involves bending over and picking up some gold), is not a sign of a labor theory of anything.

It is a sign that in the long run resources are properly allocated to meet subjective demand on a free market, nothing more.

I was inclined to leave LTV-pushers alone, but there are many people who are "leftists at heart" yet understand too much economics to oppose the free market and some form of private property.

They twist and squirm and desperately seek some way to distinguish themselves as "leftists", sniping and often straw-manning the Austrians to open up some sort of conflict. This LTV tomfoolery is just the manifestation of that pathos, and mutualism (to the extent it is actually a set of beliefs and not just an emotive label) is an attempt to combine bad economics with good economics.

The Moralizing Busybodies

Note: I use ethics and morality interchangeably and synonymously.

If you want to go around and say, "killing is just wrong", or "stealing is bad", and put forward these simple kindergarten ethics, that's fine. Or if you wish to take a subjective sense of justice and call that morality, whatever. Just know that you're speaking in loose and casual terms and not making some philosophical truth claim.

What the moralizing busybodies do is set ethics = utility. Ethics = utility. And then all they have to do to call you immoral is say that your actions are disutilitarian. And they use the language of morality to obfuscate the fact that they're just renaming utility morality.

That's it. That's all that's going on. So when you run into people who talk about objective ethics, they're just doing some variation of this. Now why would someone want to equate utility with morality and use the language of morality to describe subjective, utilitarian claims? We can speculate, but most kids were taught some things are right and some things are wrong, so morality has emotional resonance from childhood.

I don't think most people who redefine utility as ethics are trying to control others; I think they are still stuck in their childhoods IN REGARDS TO THE WORDS ETHICS AND MORALITY. Though I believe Stefan Molyneux is trying to manipulate people by controlling the words ethics and

morality.

Another thing that "these people" are doing is trying to link ethics with being pro-child. That is, in order to respect children, you have to engage in ignorant or dishonest wordplay about morality. Being an ethical nihilist doesn't mean you have no preferences or even a natural and innate "sense of justice" or "conscience". In heated discussions I have on occasion blurted out that "the state is immoral", which is why I don't begrudge people for using casual kindergarten-ethics, nor would I stand in the way of someone who said "hitting children is immoral".

It is the combination of childhood-psychologizing and ethical dishonesty that makes them extremely dangerous. Instead of breaking ethics altogether, they say, "your parents gave you bad ethics, here, listen to mine." And by claiming ethical nihilists are psychologically damaged, they acquire a monopoly on the idea that you shouldn't hold your parents on a pedestal. And so they constantly attempt to associate ethical nihilism with a more primitive psychoclass.

And they do this while admitting that morality has historically been used primarily to justify intuitively "wrong" actions, but that they can come up with the "correct" ethics. They can use the ring! They are the equivalent of minarchists and constitutionalists in relation to morality.

And morality is just the attempt to give certain preferences superpowers. If a preference is held by almost everyone there is no reason to call that "morality" anymore than there is a need to use the threat of state violence to force humans to be social.

The Point of Morality

I'm attacking morality because I've seen moral arguments used in debate to support freedom, and they fail.

Free-marketer says, “universal healthcare leads to extortion”
Statist responds, “but the free market leads to many more dying”

And so the free-marketer has two choices: he can say that “universal healthcare” would and does suck, that what currently exists is not a free market and that a true free market would be better from top-to-bottom – or he can say that people dying from lack of medical services on a free market is a-okay.

The first option will lead to a long debate, the second option will lead to being ignored instantly. Moral arguments are not effective because morality is contrived.

Another problem with moral arguments is that people who are persuaded to support freedom by morality are flight-risks. If someone else can convince them of some other morality, they will adopt the economic positions that the new morality entails. It's like a state: all another person has to do is capture the morality. Convincing somebody to support freedom for moral reasons is a phony victory, and it tends not to last.

Moral thinking is also very emotional.

Atheism – Anti-statism – Anti-moralism.

What Morality / Ethics is not:

- Caring about the well-being of others
- A subjective sense of “justice”
- A desire for “fairness”
- A love of life, health, or general happiness

- The means to achieve health and happiness

Morality is none of those things, and is not necessary to achieve those things, nor does it aid in achieving those things.

If one claims that people need morality in order to strive for the ends listed above, what he is saying is that your own subjective value and foresight is not adequate to achieve those things. That you need something external and above to intervene, even if it's just an intervening concept. This is why I say morality is the dead hand of religion.

The moralist then defines morality as striving to achieve those ends listed above, then what he has done is created something like a state. He has taken a certain emergent aspect of reality, and bundled it up as "morality", so now there is this morality. And this morality now exists as a vessel that can be captured by someone who convinces a person of a different morality.

It is like a state. If a population believes in the state, and the state is captured, then the conquering state now controls the population – they have captured the fantasy structure. Similarly with morality, if one believes in morality, this morality can be captured, and then you are controlled by the invading morality.

Morality will not lead to you achieving the ends you wish to achieve. Morality is man-made, and can lead to happiness only to the extent that a moral system deals with the facts of reality.

Morality is an "ought". One ought to do something, synonymous with one "should" do something. This is different from the colloquial "should".

If I say to someone "you should eat healthier", I am not claiming that they ought to value health. What I am really saying is, "since your health leads to your happiness, eating healthier will lead to greater happiness for you. Since I value your happiness, I would be happier if you ate healthier."

The colloquial ought is a linguistic shorthand and is not the same as a philosophical ought, or what I call a "true ought".

Reductive Physicalism

I am not a reductive physicalist, nor do I deny concepts pertaining to human experience. I recognize subjective value, thoughts and emotions, none of which can be physically pointed to.

Morality, it is true, cannot be physically pointed to, but the reason I say morality doesn't exist is because it doesn't correspond to something in physical reality. For example a thought and an emotion, of anger or sadness, corresponds to physical reality in the brain.

Truth doesn't physically exist, yet I do not deny truth, as truth is a useful concept. Though when one says something like "there is no truth", that could be a true statement, but the contradiction is a matter of the limits of language.

Because hypothetically, if there were no truth, how would this be expressed? There's no "truth" out there, just material... is that the truth?

Truth is just a concept that we use. To say a statement is true really just means that a statement corresponds to perceived reality, be it analytic or synthetic.

But I am getting far afield, let me just say that I am not a reductive physicalist, I do not deny concepts generally nor do I deny concepts about human experience. Anyone who accuses me of being a reductive physicalist is lying.

Appeal of Moral Nihilism

Moral nihilism to me is just that: it is the negation of an ought. Nothing needs to be done.

There is no imperative except for what I make for myself. It is not to say there are things I don't want to do, as there are many things I want to do. And I still have emotions because I have values, and it is hard to describe the peace I have. And this may not be very convincing because whenever I talk about politics I am anything but peaceful. But moral nihilism has finally, for the first time, given me an unconditional peace.

It is not some moral code where one can only feel good about themselves if they perform a certain act. You have your subjective desires, and you can feel good about trying to achieve every thing you want to achieve. If you just want to play videogames, just play videogames.

Putting the Defoo in its Proper Context

Stefan Molyneux had a lot to do with causing me to become an anti-statist. I listened to all of his books, and recall listening to perhaps 200-300 of his podcasts. His arguments on ethics and free will are silly, and have caused many to stop listening to him.

One thing that Stef advocates which I think is mostly good is the "defoo", which means de-family of origin. That is, he advocates that most people break off from their parents altogether, while everyone should begin treating their parents as normal people once they become self-sufficient.

I agree for the most part. Unfortunately, Molyneux holds parents to insane standards and ignores that a parent-child relationship is not normal. A parent has a child, and the child is dependent on the parent as a biological fact. The child must obey the parent to get food and safety. This parental authority is then projected onto things, one of which is the "state". The citizen must obey the state if he wants the "benefits" a state provides.

My advice is this: if you enjoy spending time with you parents, do it. If you don't, don't do it.

Remember that your parents were kids, and unless they had some great intellectual breakthrough while raising you, they are probably still kids. And they probably raised you like their parents raised them, and took advantage of their position as "the parent" and finally getting to be the boss, and used their superior intellect to solemnly invoke "rules". And like their parents did to them, they probably acted like there is something innately virtuous about them being parents, and that it was "the right thing to do" for you to respect them.

This is all a bunch of crap. Parents teaching children when they are too young to evaluate propositions that "it is moral to respect your parents" is no different than teaching children to believe in god.

But I see this as a natural regulatory mechanism. If you enjoy being around your parents, then that is a sign that they didn't abuse their biological station. But it is important to see your parents as kids, not as being above you or being "the adults", which may be difficult given that they seemed as gods when you were a toddler.

So just look at your parents as kids, perhaps try to associate with them as you would a normal person, not taking orders, calling them on believing stupid things, and if they give you a look like you "spoke out of line", then that's all you need to know. They're stuck in the Christ age, move on. I know they seem like normal people most of the time, but say the wrong thing and the primitive programming comes into play, you can see it in their eyes. Leave them behind, and enter the new world.

It is tempting to then wish to spite your parents after you have supposedly "defied". Don't play that game, ignore them, and find something else to focus on. Wishing to spite them is still in effect planning your life around them. Don't be controlled by mystics. Build the new world.

The Equivocators

Lets say there was a man who routinely robbed his neighbor's house. He robbed his neighbor so often it became a matter of routine, a "tax" if you will. One day, the robber's mother had a tumor and was sent to the hospital and put on life support. The operation would cost $1,000.

The robber then goes to his neighbor's house but, to his dismay, his neighbor now has a shotgun and exclaims, "Get out or I'll blow you out!" The robber then says, "You heartless bastard! Do you want my mother to die!!??"

When a statist calls you a heartless bastard for resisting compelled payment for the medical services of people you've never seen and never will see, he is making the same error in reasoning as the robber. He is equivocating your resistance to robbery with robbery.

Another trick the equivocator uses is to talk about "financial freedom". That is, having more money gives you the freedom to do more things. This is true deductively, but is also palpably true to anyone who has ever been in relative "poverty". Being poor limits your options. And so if the robber stole $5,000 from a man with $20,000, the robber would have more economic freedom.

In fact, we may be able to say that net economic freedom has increased because the robber, going from $0 to $5,000 has gained many more options than the person who went from $20,000 to $15,000 has lost.

Or the equivocator may not call this financial freedom, but "social utility". That is, net utility is raised by "spreading the wealth around" as if wealth is just some physical pie. Now, this is theft plain and simple, but even if the equivocator admits this, he may then look at you as if he's some fucking hero and say, "if that's theft, then call me a thief" with his primitive pre-economic "egalitarian" emotions running high.

In which case you will have to say why punishing the creation of wealth hurts the poor:

Incentives - by subsidizing poverty and punishing wealth creation, you will get more poverty and less wealth creation. This doesn't mean that someone with a steady job earning $40,000 a year will now decide to quit and go on welfare. It means that people who are on the margins or working or not working will go from working to not working,thus diminishing the amount of stuff produced. And the destruction of wealth is higher than the numbers reported, because the numbers reported don't take into account consumer surplus.

And then you have to argue for the existence of free market welfare - In 2008, "Americans" gave $300 billion to charity, despite the state of the economy and the already existing tax burden and welfare net. In a true free market you have for poor people 1 - more jobs 2 - more private charity, how much more is hard to say and 3 - cheaper goods, as deflation is standard on a free market.

"Poverty" is subjective and will never be solved. The only way for a better life is to have a superabundance of stuff. Compelled charity can at best make life better for a minority in the short run. Today, would we demand that the 10th percentile of income-earners be forced to give 20% of their income to the 1st percentile of income earners? No, both groups are "poor". But in the 1700s, that was precisely the argument. We would look back and say, "they're too poor to have welfare at all. Build up some industry first. You can't split a pie before you have it!" And in 200 years,

people will be looking back at the turn of the millennium and think “they're too poor to have welfare! It would be like us taking from the bottom 10% to give to the bottom 1%!”

The emotional and I-think-I'm-edgy stance of the equivocator historically has not helped the poor. Integrating people into the structure of production, as occurs without any state interference and needs no "planners", except for the emergent planners the capitalists, is the only proven way of raising the standard of living. Compelled welfare disintegrates people from the structure of production, in a way that charity tends not to.

This is an odd way to end this section. The reason charity does no harm to wealth creation is that it doesn't pervert the incentives. A person can start a business and then keep what he earns and then goes, how do I want to spend this money? And may choose to spend it on charity. This will not disincentivize him from opening new lines of production in the way compelled welfare does.

Also private charity tends to focus more on rehabilitation, simply because there is an incentive. A state program gets the money, and hands out the checks, and so aside from the detached prospect of electoral defeat, there is no incentive to rehabilitate. Also politicians who depend on welfare votes are incentivized to NOT rehabilitate. A private charity is competing with other charities, and so the donators will seek out the best charities to the extent that they are actually interested in helping the poor. If the donator is merely interested in saying, look at what a good person I am, I donated to charity he may spend less time researching the charity, though researching the charity and donating to a good one may be required if he wants the social benefit.

Human Nature

One of my ex-post facto reasonings for the state for a long time was that anti-statists didn't accept how shitty humans were. That humans are immature and violent, and so need a state to keep them in line. Otherwise people will be at each other's throats. Forget for a moment that the people we know are not like this, but some theoretical other people are like this and so need a state.

An analogy would be that kindergarteners need a teacher because they are not mature enough, and if left to themselves they will attack each other and it'll be chaos. As citizens need a state. Because just as the teacher is wiser than the children and can maintain order, a state is wiser than its citizens and places with the most state are the most orderly?

Members of states are no more capable than those not part of the state, and are often less capable. Conversations with senators and governors and cabinet-members are known to create disillusion with the state. To know that behind the pomp, behind the statues and the pledge of allegiance and the flag is just about nothing. Upon close examination even the authors of the constitution weren't all that, and the extent to which they disagreed with each other reveals that no one of them had absolute confidence in the constitution.

So we know that members of the state aren't specially gifted in making decisions about things. And the fact that they don't have to eat what they kill and are instead ushered in through popularity contests suggests that doing a good job is not their prime concern, and we have a lot of first hand evidence to show that this is the case.

Perhaps the point of the state is to provide a counterweight. We are kept safe through a balance of power. If private citizens attack each other and it gets out of hand, they can just turn to the state. The state is to just sit there, and when things get bad, it'll step in and arbitrate. Checks and balances so to speak.

While inefficient, perhaps the state is able to quickly amass so much force to any problem that it can solve problems that private institutions just cannot solve. So the state value is in its ability to

quickly amass force. And it does this because it has a monopoly on force, and can simply command the citizens to pay more taxes, or it will shoot them.

However, this ability to quickly amass tons of force without ever having to work for it, directly contradicts the idea that the state acts as a balance. Because the monopoly on force results in an almost infinite power imbalance.

Well perhaps the power imbalance isn't so great because we can vote. And so whoever can get the most votes gets to lead the state. And so if a state is becoming tyrannical, then we can just vote in someone else. Okay. But then 60% of the population can just vote to fleece the other 40%. Well, this is managed because the state has strict constitutional limits...

The state sucks, and more important to understand is that its suckiness is inherent. Departments are incentivized to grow. They are not incentivized to solve problems. If the problem of poverty gets solved, then there will no longer need to be departments for welfare. If education gets solved, then you won't need nearly as much state spending on education. If defense gets solved, then you won't need to spend as much on defense. And so state programs are incentivized not to solve problems, but to create them, and then to point at these problems as an excuse for further expansion.

Empirically, we know that the state doesn't solve problems. It doesn't protect us from small attackers, and it may or may not protect us from large attackers. It doesn't facilitate internal infrastructure. The transcontinental railroad went out of business, and another company was able to build a line from St. Louis to Portland and was able to turn a profit, and did it without taking money from the general population. Food production, water treatment and plumbing, electricity, the internet, these are all huge things, and state interferences always makes the situation worse. When it manages food production, you get famine. Zimbabwe is a fine example of this. Just off the top of my head I know that when electric companies were regulated in California, you ended up with rolling blackouts, and when the state managed trash clean up in New York, you ended up with trash not getting cleaned up. I know private firefighters in Tucson work just fine, and typically you end up paying something like $300 a year for fire protection.

I have no machinean view of human nature. Anyone who says man is inherently good or inherently evil, in general I mean obviously we are all individuals, has the burden of proof on them. The only thing we can say empirically is that man responds to incentives. And when you incentivize innovation and providing value, people will innovate and provide value. If you incentivize political action then people will make investments in politics as opposed to investments in things that provide value to others.

Yes people desire community and don't want a world completely devoid of safety nets. This nearly universal desire is a demand. And this demand is typically supplied by the state. The demand for community will result in the market providing community. And by market, I just mean people. Because people demand community, people will supply community. Just as people supply food because people demand food. And whenever the state controls food, it turns to crap. Whenever the state controls community: defense, police and safety net, it turns to crap.

It's hard to get one's mind around it, but it all boils down to this: if humans are innately virtuous, then they don't need a state. If they are innately corrupt, then they cannot have a state. If they simply respond to incentives, then all a state will do is disincentivize innovation and providing value.

Matrix of Equilibria

When I think of any transaction, I think of:

Incentives
Opportunity Cost
Equilibrium

If a grocery-store owner wants to pay his workers 1 cent an hour, those workers will quit and find work elsewhere. The threat of the workers quitting forces the employer to pay higher wages, and an equilibrium is reached.

These equilibria are everywhere. As I started reading Austrian Economics I started to see the world as a matrix of equilibria. The opportunity of another job causes workers to go elsewhere, causing the grocery store owner to pay his employees more.

If over 10 years all things become cheaper (because so much is being produced), workers may decide to spend less time working and have less money, but buy as much actual stuff (with less money), and have more free time.

And I see that EVERYTHING can be understood in this way, and everything leads to an equilibrium. Even belief in god leads to an equilibrium between tithing and spending on everything else, and equilibriums over waging war are reached. It is impossible to escape this matrix of equilibria, this emergent order, and any attempts to do so lead to chaos. And a state is an attempt at that.

But of course the very idea of a state is impossible, and so I'm at a quandary. I said the state is an extortion racket, now I'm saying it doesn't exist?

Well clearly the guns, buildings and people who call themselves state exist.

1. But the idea that something not a product of this matrix of equilibria can exist is definitionally false. It presumes something unregulated and non-deterministic, it assumes some agency with free will.

2. And the further idea that this thing (which we shall call the state) can intervene in the matrix of equilibria to create something that increases aggregate utility would have to presume information greater than the aggregate interactive information of all of the players in the market. This agency would have to calculate the entire market, and if this state had less calculational power than the market it was attempting to calculate, it will fail.

Emergentism

The innate corruption is land. There is finite land, and land of value will be owned by someone. This extends to all that is produced, and all that exists, but lets just deal with land. When someone builds a house on land, under my preferred system of ownership, he would then own that house and the land it is on. Yet he did not create the land, and this is the corruption.

Under absolute propertarianism (of which there are roughly 5 advocates and they all inhabit the Mises boards), when a person builds a home, he would own it and the land it is on forevermore (ignoring scenarios about tunneling under for now). This sets up the possibility of clear abuse, as one person could build houses along an entire shorefront before it was valuable, and then sell them off at the monopoly rate once that land became valuable.

Sure he built the houses, but those houses weren't what was valuable. In fact those houses will probably be torn down, they were just a placeholder. He was selling the land. But he didn't make the land. That is the corruption.

But what happens when a person doesn't own the home he builds? Well then nobody will build

nice homes. If they can't own the product of their labor, then they won't labor. And hopefully by now the reader knows all of the implications of that and how I don't just mean spending all of your wages on yourself.

But if we go further, we find that all we produce comes from material, from atoms. Atoms which we did not create. If I make a shirt out of cotton, I have used various resources. And if I never wear the shirt, how is that different than never using the house I built on land? Just from pragmatism, ownership must have some active-use component, but also some sticky ownership.

What shall be the balance? The best balance is that which emerges from the arrangement of individuals uncorrupted by a belief in the state or some other such bugaboo. When someone has acquired land by building a home on it, but clearly only built the homes to acquire the land, then that is something to be dealt with by the courts.

A new equilibrium needs to be reached between the necessary corruption that comes from there being limited resources, and the use of force against too much corruption. And the legal agencies which find this optimal balance will emerge as dominant and will be emulated by others. And if other agencies find themselves engaged in a web of intractable contracts, then those contracts will have to be settled. Or a war against propertarian corruption will need to be fought.

Debating

When I heard Stefan Molyneux say in one of his podcasts, “DON'T DEBATE” I at first thought he was giving poor advice. Now I recognize the wisdom in that. And that's what I will say to the typical reader: don't debate (usually).

Your statements will be misinterpreted and used against you. Others will ruminate in groups about how stupid you are, and ascribe psychological problems to you. So what I will say for debating: go all the way, or go none of the way. A good rule of thumb is that a meaningful conversation will take about four hours. In those four hours you can explain what ownership actually is (not what your opinion about what it “should” be) and what the state is.

If the person you are talking to, after four hours, has not conceded the definition of the state and what ownership is, then that person is not worth talking to on this matter. And if this person talks about your views to other people, an appropriate rebuttal would be to say, “we didn't really have any discussion at all because he would not accept basic facts about ownership and the state”.

Do not engage in “pop debate” or sound-bite battles, or worst of all statistic recitations. Refuse to have superficial discussions. If someone is peppering you with questions and provocations, tell him, “you're going too fast, you're leaving issues in the dust. Slow down, this takes time.” Often people will speak fast as a way to intimidate.

Also, if someone wants to “attack libertarianism”, to a certain degree they get to choose who to attack, and the relevant positions of the person they attack will represent libertarianism. I've seen this happen in debates, and it's why I hate having “my side” outnumber the other side. Because the outnumbered side, because they are overloaded with arguments, gets to choose which to respond to, and they will invariably respond to the weakest argument. This is why, when debating statists on stickam, I will kick libertarians.

The World of Infinite Facts

I believe it is necessary to run through a few examples, but there is an infinity of facts. And any statist can bring up any program in any state and say why it solves some problem on the free market. There are hundreds of thousands of these, and new ones are being created every day. This is why the principles need to be taught.

If you have one of these baubles, such as the waste disposal system of Estonia or the DMV of Moldova, spare me. You probably either got your facts wrong, you identified how one form of statism is better than another form, or you identified how one state is more free than the US, or you ignored another cost. For example, the NHS in Britain flying people abroad to receive medical services: efficient and saves money? For Britons perhaps, not for the people in the areas they are crowding out.

Not The End Of History

Throughout this book I have hailed the free market and dealt with the deleterious effects of state interference in the market. However, I do not wish to give the impression that I believe a free market would be utopia, just that it is the best.

This booklet is long enough, but here are some examples of what I subjectively classify as market failure. Now I know many will say definitionally market failure only means anything if we assume some goal. I assume the goals, for this analysis sake, of wealth and happiness.

Advertising: Assuming information asymmetry, that is the producer has more knowledge of a given market than the consumer, the producer may be able to advertise and convince the consumer to ascribe greater value to the advertisers product than the competitors product. And this projection of value onto Pepsi as being better than RC Cola is a false signal, and one that occurs without a state. Advertising is the sending of false signals, and it occurs on a free market.

Now I understand many small businesses must advertise to get off the ground, though I believe a system of registers and third party review boards would (and do) work better at relaying relevant information to consumers, and that advertising is mere propaganda that dulls the feedback mechanisms.

Natural Monopolies: An example would be a mountain pass, an oasis, or any constricted geographical area. One man could acquire ownership of this constricted passage or resource, and charge at the monopoly rate, or near it, depending on the importance of the resource. I'm thinking of the Suez and Panama canals.

As for the transition from a statist to a stateless society, that is another topic. The purpose of this booklet was to make the case that a stateless society is feasible and optimal for just about everyone.

The Movement

What is deeply distressing is how people continue to act as if there is any meaningful economic movement other than the movement against the state.

They continue to speak about variations in the fantasy structure of the state, as if there is some way to overcome the basic calculation problem and put forth a state action that will not create a fractal of new problems.

If you can think of some form of state, it has probably been tried. Dictatorships justified by religion, heredity or some secular ideology. Direct state management of the means of production, government-business partnerships (fascism, guildism or corporatism). Republicanism, direct democracy (prop 8, kill Socrates, elect Hitler), mixtures of direct democracy and republicanism (such as the US today). Parliaments with all types of electoral procedures have been tried.

And they all fail because they cannot overcome the calculation problem. When a firm is formed, they are making a prediction about the structure of production. Even if their prediction is "correct"

and they create a product or service that is profitable, it is unlikely that they are completely correct, and so new firms will come along and create variations on the product or service that conform to the demands of society even further.

There was never "good government" in the "united states". Following the war against Britain, there was a state with dubious legitimacy and no traditional means of taxation and a population of European emigrants who were suspicious of statism. The "founding fathers" were not saints, they simply lacked the means to carry out extortion. There was no age of miracles when government worked. That is why the urban areas of the early united states, despite being such a new place, had a standard of living that visibly superior to that of Britain.

But even in the early US, blacks were either slaves or had few economic opportunities, and women had few opportunities as well. Even at the beginning, the great freedoms only applied to white males.

Libertarians today are just baffled at why there are so few black libertarians. And the answer is clear and obvious: the "founding fathers" either supported or dragged their feet on the slavery issue. Perhaps it could be forgiven as there needed to be a consensus of states to wage a war against Britain IF immediately following the war the "founding fathers" set to the task of ending slavery. But this did not happen.

As it happened, the worst possible course was taken. Blacks were enslaved long past the first generation of the US, then there was a civil war, and in order to prevent british intervention in the war on the side of the confederacy Lincoln declared the slaves would be freed in the states that seceded (though not in the states that remained in the union).

And so now you had a bunch of black people who were just slaves, in political jurisdictions which clearly did not endorse their freedom, and who (as former slaves) were not integrated into the mainline economy. And this former slave population has been the most reliably statist voting bloc.

If it's pro-state, blacks are typically for it: pro-domestic spending, pro-domestic "regulation", pro-war, pro-religious laws. In the past the republican party was more statist than the democrat party, and so the blacks voted republican. Today the democrat party is more statist, and so the blacks vote democrat, except that among democrats blacks tend to be more "socially conservative" and pro-war. The black voting bloc in the US is, on the aggregate, Bismarckian. They are NOT liberals.

Now the republican party is about what it was since Lincoln. But in those days there was less confusion as to the desires of big business. And so there was a clear divide: the conservatives vs. the liberals. The conservatives were pro-state and pro-big business. The liberals were pro-free market and for individual freedom in the social sphere. The "liberals" were what today are called "libertarians".

Unfortunately the libertarians failed. They failed in the civil war, because with the "emancipation proclamation" Lincoln turned what was originally a war over secession into a war over slavery.

It is my opinion that there is a certain neurochemical type of "the liberal". In the past I was confused as to how I got along with modern-day "liberals" - as in fans of the democrat party - better than with "conservatives". Yet I had always been for roughly a free market, and that is the main issue.

It was the "progressive" movement that turned the libertarians into socialists. And that has led us to the split we have today. The neurochemical "liberal" doesn't support freedom anymore, but an interventionist state that he believes can help the disadvantaged (spoiler: it can't).

It has become fashionable to say that the republican and democrat party are equally statist, but that is not true. The deficits Bush ran pale in comparison to Obama's deficits, and the republican party, in terms of total spending, is not as statist as the democrat party, and it's visually obvious. And this makes sense theoretically: the GOP is the party of big business. And so they want big government to help the rent-seeking corporations, and in the past it was them vs. the libertarians. The GOP views the state as a means to an end: the enrichment of corporations. The democrats view the state as the enabler of positive change in itself.

Under George Bush, the GOP took a particularly sinister turn with the Iraq war, which benefited the oil producers by restricting oil supply, and obviously benefited the defense contractors.

While there is more potential for freedom among the democrats, the republicans are actually less bad at the moment. The republicans are cheats: they want enrichment and guaranteed profits without having to provide value to society. It is possible to live a decent life in the highly cartelized market that would result from GOP domination. It it NOT possible to live a decent life in a society with direct state management of the means of production.

And so the prime opponent today of the movement are the socialists. Now if you believe there are no socialists, lets take a look at the 10 planks of the communist manifesto:

1. Abolition of private property and the application of all rent to public purpose.

The 14th Amendment of the U.S. Constitution (1868), and various zoning, school & property taxes. Also the Bureau of Land Management.

2. A heavy progressive or graduated income tax.

The 16th amendment, The Social Security Act of 1936.; Joint House Resolution 192 of 1933; and various State "income" taxes.

3. Abolition of all rights of inheritance.

We call it Federal & State estate Tax (1916); or reformed Probate Laws, and limited inheritance via arbitrary inheritance tax statutes.

4. Confiscation of the property of all emigrants and rebels.

Today people are limited in how much money they can ship abroad, and that money is often still taxed. Also if someone is labeled a terrorist, his property is confiscated.

5. Centralization of credit in the hands of the State, by means of a national bank with state capital and an exclusive monopoly.

We call it the Federal Reserve which is a credit/debt system nationally organized by the Federal Reserve act of 1913. All local banks are members of the Fed system, and are regulated by the Federal Deposit Insurance Corporation (FDIC).

6. Centralization of the means of communication and transportation in the hands of the State.

We call it the Federal Communications Commission (FCC) and Department of Transportation (DOT) mandated through the ICC act of 1887, the Commissions Act of 1934, The Interstate Commerce Commission established in 1938, The Federal Aviation Administration, Federal Communications Commission, and Executive orders 11490, 10999, as well as State mandated driver's licenses and Department of Transportation regulations.

7. Extension of factories and instruments of production owned by the State, the bringing into cultivation of waste lands, and the improvement of the soil generally in accordance with a common plan.

We call it corporate capacity, The Desert Entry Act and The Department of Agriculture. As well as the Department of Commerce and Labor, Department of Interior, the Evironmental Protection Agency, Bureau of Land Management, Bureau of Reclamation, Bureau of Mines, National Park Service, and the IRS control of business through corporate regulations.

8. Equal liability of all to labor. Establishment of Industrial armies, especially for agriculture.

We call it the Social Security Administration and The Department of Labor. The National debt and inflation caused by the central bank has caused the need for a two "income" family, though this plank does not seem to be being actively pursued by the current US government.

9. Combination of agriculture with manufacturing industries; gradual abolition of the distinction between town and country by a more equable distribution of the population over the country.

We call it the Planning Reorganization act of 1949. Though I believe this would and does occur on a free market and needs no central plan.

10. Free education for all children in government schools. Abolition of children's factory labor in its present form. Combination of education with industrial production, etc. etc.

People are being taxed to support what we call "public" schools, which train the young to work for the communal debt system. We also call it the Department of Education, the NEA and Outcome Based "Education".

"Socialism" is such a broad term, but today the US would be considered a socialist state according to the old theoretical socialists. They may not have approved of much of the corporatism, but by and large "socialism" is already here.

There has been an unfortunate influx of conservatives into the libertarian fold. And so today the libertarian party is being seen as a mere extension of the republican party, with many people who call themselves libertarians supporting closed borders, national IDs and drug laws. This is boosting their numbers in the short run, but it is a recipe for long-run failure.

I would like to call myself a "left-libertarian", but these people tend to be mutualists and "anarcho"-communists.

To sum up "left-libertarians" in three words: "hateful", "slanderous" and "aggressive". They offer no historical or economic insights, and cavalierly lie about the Austrians, caricaturing them as vulgar capitalists. They also moralize far more than your typical fundamentalist Christian.

So what movement of note is there? Well it is depressingly small. We can rule out the republicans and democrats, the libertarians, communists and anarchists. What we are left with is a small cadre of people who oppose the state and support freedom. This is the movement, the only movement. All else is mere revolution.

If you are interested in further communication with me, you can contact me through my site at fringeelements.ning.com

Or you can do a google search for “fringe elements” or “Ryan Faulk”. My various websites and accounts should come up.